

Government that Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

TOWNSHIP OF PRINCETON

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AUGUST, 2000



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the Township of Princeton

New Jerseyans deserve the best government their tax dollars can provide. Governor Whitman is committed to making state government leaner, smarter and more responsive by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. Prior to Governor Whitman's taking office in 1994, the state had never worked as closely with towns to examine what is behind those costs. That is why she created the Local Government Budget Review (LGBR) program. Its mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service by the state at no cost to them. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and that other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July 1997, Governor Whitman ordered the expansion of the program, tripling its number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of each review, team members interview each elected official, as well as, employees, appointees, members of the public, contractors and any other appropriate individuals. The review teams examine current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relative information. The review team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the review team received full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness, on the part of most, to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide for the entity an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be implemented immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
TOWNSHIP OF PRINCETON**

Personnel

Adjusting vacation leave to be more consistent with that provided by the state would save \$45,000.

Health Benefits

Negotiating a co-pay of 50% of the difference in cost between a benchmark HMO and the traditional plan for grandfathered employees who elect to remain in the traditional plan, for all participants in the traditional plan, would save \$48,000.

Negotiating a \$10 co-pay with its HMOs could save more than \$17,500.

Limiting ambulatory surgery to outpatient facilities, when practicable, could save \$17,500.

Switching networks to one with more of the doctors utilized by the traditional group could save \$16,200.

A plan design change to a point of service option could save \$32,400.

Negotiating a 20% other than single co-pay with employees could lower costs by \$63,000.

Prescription

Switching to a three-tier prescription co-pay for HMO participants could save \$5,650 or more.

Dropping prescription coverage for traditional employees and, thereby, incorporating it into the traditional coverage could save \$10,000.

Information Technology

Cooperating with the borough and the board of education to hire a technology staff person, who can be shared by all entities, would produce a net savings of \$14,000.

Legal

The township should consider negotiating for a reduced rate under the retainer. If unable to reduce the rate, the township should eliminate the retainer and include services under the professional service agreement for a potential savings of \$7,988.

Hiring a full-time staff attorney would produce a cost savings of \$205,785, at an annual expense of \$140,000.

Budget

Increasing the projected tax collection rate to 97.8 could decrease the reserve for uncollected taxes by \$400,000.

Police

Abolishing the corporal rank and identifying patrol officers in each squad who will serve as OIC in the absence of the sergeant could save \$1,822.

Referring lockouts to private locksmiths will improve productivity by \$3,195.

Adopting a quartermaster system for issuance and replacement of uniforms could save \$14,628.

Revising vacation scheduling so that the entire year is used for vacations, in order that an even amount of officers are off at one-time, would reduce the overtime used for manpower shortages by 50% and save \$14,717.

It is recommended that the department purchase two motorcycles for use by the proposed traffic/quality of life unit at an expense of \$28,000.

An automated message system could relieve some of the call taker workload and avoid the expense of hiring another dispatcher at an estimated cost of \$27,918.

The township could yield a productivity enhancement of \$61,763 by reassigning the officer in charge of communications and computers.

Hiring one additional crossing guard to act as the supervisor, responsible for ensuring that the posts are covered and to be available to cover a post when needed, would net a savings of \$4,320.

The township could yield a productivity enhancement of \$72,514 by expanding the traffic safety function to enforcement and accident prevention.

If the support staff were trained to take fingerprints from civilians, there would be a productivity enhancement of \$6,406.

By adopting the outlined table of organization recommended in this report, the township could yield a net savings of \$97,399.

Merging the township and borough police departments would save the township \$936,832.

Court

The township could save \$29,517 by reducing the court staff by one and training another individual to serve as secondary backup.

With a joint court and a negotiated sharing of the financial benefits, the township could save an estimated \$53,010.

Fire

Cutting the fleet by two pumpers to a total of four pumpers, a ladder and a special services unit would result in annualized capital cost savings of \$33,800 for the township. In addition, there would be a one-time revenue of \$208,000 to the township for sale of the equipment.

A consolidated vehicle maintenance operation could reduce per vehicle expenses to \$2,700, to produce a cost savings of \$2,588 to the township.

Closing one station and having the two fire companies share the larger facility would produce a one-time revenue from the sale of the building of \$420,200 and annual tax revenues of \$9,328.

Princeton First Aid and Rescue Squad

Contracting with a private vendor to perform the functions currently being performed by the first aid squad's day crew and per diem workers would save the township \$84,412.

Reducing the complement of ambulances to two would decrease the need for additional space and result in cost savings to the township of \$8,840.

Public Works

If the municipality contracted with another municipality or a private vendor for street sweeping services, it would save \$24,200 annually and generate a one-time revenue of \$30,000.

If the township initiated a campaign to encourage the on-site composting of vegetative waste by residents, with the goal of eliminating one half of the leaves and brush now collected, it would save a total of \$45,227.

Elimination of the satellite recycling operation could save \$49,849.

A joint operation for vehicle maintenance with the borough, the joint sewer operation and the joint fire department would save \$18,585 for public works.

Combining the public works functions of the borough and the township could save between \$79,250 and \$105,667 depending on how the costs are shared.

Construction Code Office

Bringing the electrical and fire subcode services in house or finding a contractor that is more competitive could save as much as \$23,508.

Engineering

Contracting custodial service in one conjunction with the board of education and the borough could save at least \$4,055.

Joint Sewer Operating Committee

Merging the SOC's vehicle maintenance with public works vehicle maintenance could save \$15,360.

Library

Reducing the circulation staff by one full-time library assistant could save \$15,948.

Reducing the reference staff by two professionals could save \$55,435.

Reducing the technical services staff by 1.5 professionals and one full-time paraprofessional could save \$85,525.

Centralizing the payroll function through the township could save \$2,780.

Joining with one of the municipalities in a joint insurance fund could save \$3,114.

Eliminating the practice of compensating staff for time spent and basing increases on merit, could save the township \$12,240.

Providing benefits only to employees that work over 30 hours per week could save the township \$8,557 in library expenditures.

It would be possible for the Princetons to achieve significant savings and service enhancements by joining with the Mercer County Library System. Such a merger would necessitate negotiations to achieve cost savings and to preserve services. It is estimated that the township could save at least \$206,570.

Health

Reducing the staff by one sanitary inspector could save \$36,040.

Performing a more aggressive annual dog canvass would increase revenues by \$3,298.

Recreation

Establishing a policy concerning the level of subsidy deemed appropriate for recreational programs in the communities could offset township expenses of \$65,610.

<u>Monetary Recommendations</u>	<u>One-time Savings/ (Expense)</u>	<u>Annual Savings/ (Expense)</u>	<u>*Potential Savings</u>	<u>**Additional Savings from Consolidation</u>	<u>Totals</u>
Personnel					
Adjust vacation leave to be consistent with the state			\$45,000		
Health Benefits					
50% co-pay to cover the difference in cost of HMO & traditional plan			\$48,000		
Negotiate a \$10 co-pay with its HMOs			\$17,500		
Restrict ambulatory surgery to outpatient facilities			\$17,500		
Switch networks to one more utilized by traditional plan doctors			\$16,200		
Consider plan design change			\$32,400		
Negotiate a 20% other than single co-pay			\$63,000		
Prescription Plan					
Switch to three-tier co-pay			\$5,650		
Drop prescription coverage for traditional employees			\$10,000		
Information Technology					
Hire a technology staff person to be shared by all entities			\$14,000		
Legal					
Eliminate retainer payment & include under prof. service agreement			\$7,988		
Hire full-time staff attorney & support staff		(\$140,000 \$205,785			

)				\$65,785
Budget					
Increase the projected tax collection rate to 97.8		\$400,000			\$400,000
Police					
Abolish corporal rank			\$1,822		
Refer lockouts to private locksmith		\$3,195			
Adopt a quartermaster system for uniform issuance & replacement			\$14,628		
Revise vacation schedule so that entire year is used		\$14,717			
Purchase two motorcycles for traffic/quality of life unit	(\$28,000)				
Reassign officer in charge of computers & communication		\$61,763			
Hire one additional crossing guard & designate supervisor (net savings)		\$4,320			
Expand traffic safety function to enforcement & accident prevention		\$72,514			
Train support staff to take fingerprints from civilians		\$6,406			
Adopt outlined table of organization for a net savings		\$97,399			\$232,314
Consolidate police departments			\$936,832		
Court					
Reduce the court staff by one		\$29,517			\$29,517

Establish a joint court with the township			\$53,010	
Fire (Joint)				
Reduce fire apparatus by two pumpers, ladder & special services unit	\$208,000	\$33,800		
Consolidate vehicle maintenance			\$2,588	
Close one station	\$420,200	\$9,328		
				\$671,328
Princeton First Aid and Rescue Squad (Joint)				
Contract with a private vendor		\$84,412		
Reduce ambulances by one		\$8,840		
				\$93,252
Public Works				
Contract with municipality or private vendor for street sweeping	\$30,000	\$24,200		
Eliminate one half of the leaves and brush by composting on-site		\$45,227		
Eliminate satellite recycling operation		\$49,849		
Joint operation for vehicle maintenance		\$18,585		
Consolidate public works with the borough			\$79,250	
				\$167,861
Construction Code Office				
Bring electrical & fire subcode service in-house or competitively bid		\$23,508		
				\$23,508
Engineering				
Contract custodial service in conjunction with BOE & borough		\$4,055		
				\$4,055
Joint Sewer Operating Committee				
Merge vehicle maintenance with DPW		\$15,360		
				\$15,360

Library (Joint)

Reduce the circulation staff by one library assistant	\$15,948				
Reduce the reference staff by two librarians	\$55,435				
Reduce the technical services staff	\$85,525				
Centralize the payroll function through the borough	\$2,780				
Join a joint insurance fund	\$3,114				
Eliminate compensation for time spent and base on merit	\$12,240				
Provide benefits to full-time employees only	\$8,557				
					\$183,599

Consolidate with Mercer County Library

\$206,570

Health (Joint)

Reduce staff by one sanitary inspector	\$36,040				
Perform a more aggressive annual dog canvas	\$3,298				
					\$39,338

Recreation

Establish a maximum subsidy of 50% for recreation	\$65,610				
					\$65,610

Total Recommended Savings & Revenue Increases

\$630,200	\$1,361,327	\$293,688	\$1,278,250	\$1,991,527
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*\$293,688 in potential savings not included in savings of \$1,991,527.

**\$1,278,250 in consolidation savings not included in savings of \$1,991,527.

Total Savings from consolidation are estimated at \$1,278,250. Only the township's share is shown in this chart.

Total Property Taxes Raised for Municipal

Purposes

\$10,668,905

Savings as a % of Municipal Property Tax

19%

Total Budget

\$21,416,776

Savings as a % of Budget

9%

Total State Aid

\$1,934,781

Savings as a % of State Aid

103%

Potential Savings

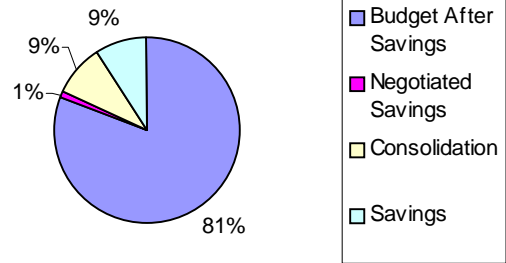
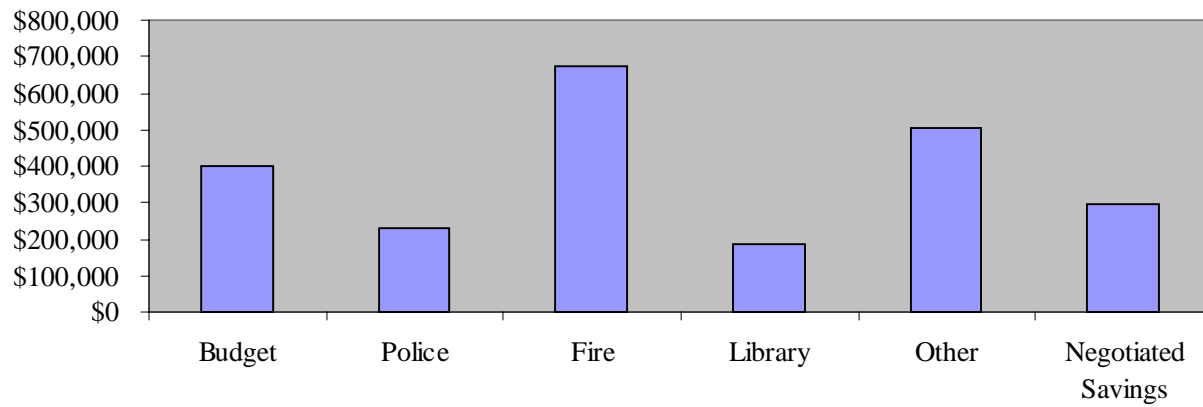


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COMMUNITY OVERVIEW

Princeton Township is a growing suburban community in Mercer County with an estimated 1996 population of 13,909. The 16.39 square mile township is 84% residential. Its identity comes largely from Princeton University, a portion of which lies within its borders. In addition, the Institute for Advanced Studies and several renowned private elementary and secondary schools are located in the township.

The 1998 municipal budget totaled \$21,416,776. The staff included 114 full-time and 34 part-time employees. One of the township's greatest assets is its healthy and growing tax base. \$72 million was added in 1998. Total assessed valuation was \$2,110,036,398 in 1998 and 22% was tax exempt.

The township is in the process of constructing a variety of new facilities to house municipal services. A new recreation building was just completed and a \$12.8 million municipal complex is expected to be completed in 2000.

The Borough of Princeton and Princeton Township were reviewed simultaneously because they share 17 services and cooperate informally on many others. There was some interest in identifying more services that could be delivered jointly and evaluating the strengths and weaknesses of joint service delivery. Although we have looked at each community individually, there are some observations better made by reviewing them side by side.

Through the reviews, the team reached four major conclusions: first, that the township and borough are about as different as two communities can be; second, each community's well being is inextricably tied to that of the other; third, in terms of approach to governance they appear to be of two very different philosophies and could each benefit from modifying their approaches to be somewhat more like the other; and finally, that the defeat of the last consolidation attempt by the borough is understandable, but regrettable.

Princeton Borough and Princeton Township have been the subject of four consolidation studies and three consolidation votes. The latest effort was defeated, ending in a vote in favor of consolidation by the township and against consolidation by a narrow margin in the borough. Given the differences in the tax bases – Princeton Township growing quickly and the borough being basically fully developed – many observers expected the borough to do the fiscally conservative thing and vote to consolidate. After spending several months reviewing the operations of both towns, the vote is more understandable.

Consolidation would have formalized the interdependent relationship of the two communities while replacing two very different styles of governance. Without consolidation, the communities are left striving for balance on each issue. Members of the administrations and governing bodies have pointed out the cumbersome nature of reaching agreement on joint agency budgets and other joint agency issues, implying that joint service delivery may not be the most beneficial solution. The team believes that, without the preferable alternative of complete consolidation,

this process is critical to both communities' continued prosperity. Each community offers the other something. The borough is the downtown for the township. It is very conservatively administered because of its stagnant tax base and the borough, along with the university, offer much of the identity for the community. On the other hand, the township enjoys tax base wealth and growth, an abundance of open spaces for recreation and a growing population to support the regional economy.

The report includes a functional discussion of potential areas of further cooperation and consolidation. The primary areas left are those most difficult to unite without a united government – police, court, and public works.

The team was asked to address two joint services-related issues. These issues were the equity of funding formulas for the various joint services and whether or not accountability is lost by the replacement of individual services with joint agencies. Funding equity needs to be addressed on a service by service basis and should include an examination of the division of service recipients between the two communities, the ability to pay and the hard to quantify issues relating to whether or not changes in the existing formula will have a significantly negative effect on either community or the quality of service. The team observed the existence of agreements that called for a variety of funding formulas including divisions based on taxable assessed property (32/68), total assessed property (48/52) and even (50/50). Although the agreements were specific about funding formulas, it was also clear that actual funding frequently differed from the established formula. One issue to be considered as part of this evaluation is the allocation of debt related to joint services. It may be appropriate, in light of the recent downgrade of the borough's rating by Moody's, to have the township, with its growing tax base, take on the debt related to a new facility or facility reconstruction/expansion and, either have the borough pay its share as an operating cost or allow the township to take sole title to the facility and carry its full cost.

Concerning accountability, it appears that the joint meetings to review the budgets do assure a reasonable level of accountability. The only evidence possibly countering this is that, generally, the joint services are of very high quality as well as high cost. What is clear is, that, individually, the communities could not provide the quality or level of service currently provided through joint agencies for the same money. What is not as clear is whether or not the level of expenditure would be less if the decision making were not distributed across two governing bodies. The joint budget committees rely heavily on input from the relevant commissions and program directors for definition of needs and, more often than not, these people serve because they are highly committed to providing the service. Another factor may be that the consensus required drives up the level of service and, thus, the costs. For example, it may be politically difficult to make a decision that implies that one community wants more or less library or recreation services.

Another strategy that could be used is to continue to look for more consolidation/sharing of services with governmental entities other than just the two Princetons. Some of this can be seen in the sewer and public works operations. Certainly there is opportunity for sharing or merging with the county for welfare and even the public library. These opportunities are discussed in the specific departmental sections of this report.

The end result of shared services is, without exception, high quality and, therefore, we commend the two communities for their long history of interlocal cooperation. They are encouraged to continue to identify their common interests, recognize each other's strengths and weaknesses and foster and strengthen what already is a very significant relationship. In addition, it is recommended that sharing and merging services with other governmental entities be considered.

I. BEST PRACTICES

A very important part of the Local Government Budget Review report is the Best Practices Section. During the course of every review, each review team identifies procedures, programs and practices, which are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and, possibly, save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every cost-effective effort. The following are those best practices recognized for cost and/or service delivery effectiveness.

CAPITAL IMPROVEMENTS

The municipalities, with the joint sewer operating committee, have engaged in aggressive capital improvement activity for sewer reconstruction. Through the elimination of inflow and infiltration, the cost of processing sewage will be greatly reduced. The infrastructure investment projects completed through 1998 will save the taxpayers \$2,589,522 over the expected life of these assets. There are plans to continue this reconstruction.

POLICE CHAPLAIN

The chief of the police department has used a volunteer police chaplain since 1993. The current chaplain began his work in September, 1997. This is a highly motivated individual who has taken on this duty, in addition to his duties as senior pastor of a church in Princeton. The initial estimate of the time required for the chaplain to devote to the department was three hours per week. The average time spent with the department in 1998 was seven to eight hours per week.

The chief is commended for reaching out to the community for a valuable resource that can fill the need for this type of employee assistance program at no cost. The chaplain is commended for the valuable assistance he offers to the department. The team cannot place a value on the approximately 400 hours per year this individual gives to the men and women of the department.

II. OPPORTUNITIES FOR CHANGE/RECOMMENDATIONS

The purpose of this section of the report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the municipality and its taxpayers.

In its study, the review team found the municipality makes a conscious effort to control costs and to explore areas of cost saving efficiencies in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted as appropriate in the findings to follow. The municipality is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control and revenue enhancement.

One of the fundamental components of the team's analysis is identifying the true cost of a service. To this end, the team prepares a payroll analysis that summarizes personnel costs by function and attributes direct benefit costs to the salary of each individual. This figure will always be different from payroll costs in the budget or in expenditure reports because it includes health benefits, social security, pension, unemployment and other direct benefit costs.

TOWNSHIP COMMITTEE

Princeton Township operates the township committee form of government with five committee members each elected to three-year terms. The mayor is elected by the committee members. Each committee member receives a salary of \$7,016. The mayor's salary is \$11,161. Committee members do not receive benefits. Total salary and other costs for the council were \$41,662 in 1998.

The township committee enjoys the stability of long tenured professional administrative staff; this combined with a growing tax base, enables the committee to allow the professional staff to administer independently. Issues only seem to arise when the committee relies totally on information obtained from the administrators and the administrators have an agenda that may not be identical to the committees.

CLERK

The clerk has been with the township for more than 15 years. The clerk's office staff consists of the clerk, a deputy, and a clerical. Members of both the finance office staff and the administrative office staff are cross-trained so that they can assist in serving the public, as necessary. The operating costs of the department in 1998 were: \$171,117 in salaries and benefits, and \$16,672 in other expenses for a total of \$187,789.

FEES, LICENSES, PERMITS

The clerk's office is responsible for dog licenses, parking permits, liquor licenses and a small number of additional licenses and permits. Total revenues collected in 1998 were \$29,981, with \$1,603 in dog license fees being sent to the state.

MINUTES

The minutes are never more than two meetings behind at any given time. The person who attends the meetings types the minutes and the clerk and the deputy clerk alternate meetings. They are rebinding and deacidifying the minute books at the rate of two per year. It costs about \$700 to rebind and deacidify each one.

RECORDS MANAGEMENT

A priority is to sort through, organize and discard records, as appropriate, so they will move, in an organized fashion, to the new building with just what is necessary. Two years ago, a records management person from the state assisted them by coming to the building and approving discards as they were identified. Some of the materials were from the 1940's and 1950's. The team was always successful in obtaining information required from ordinances, contracts and resolutions.

OTHER DUTIES

The clerk's office staff plays a significant role in establishing the image of the township and communicating with the residents and the employees. The office is responsible for the township's biannual newsletter, publishing the municipal directory, maintaining a web page, organizing staff recognition events, and organizing monthly staff forums, at which key officials and staff discuss issues over lunch. Other projects include, organizing the aerial photographs, establishing an in-house recycling program, and providing materials for community orientation of newcomers.

ADMINISTRATION

The township administration staff consists of an administrator, a personnel assistant and a clerical. The 1998 salary and benefit related expenditures totaled \$206,763. The administrator's office is responsible for overseeing the day to day operations of the township, preparing the budget, handling all personnel matters (including benefits, insurance, oversight of legal and other support services) responding to complaints and performing policy analyses for the township committee. The secretary provides support to the administrator and the mayor.

PERSONNEL

The township administrator, with the support of the personnel assistant, directs the personnel function. The personnel assistant spends approximately 50% of her time performing various personnel functions. The salary and direct benefits for her position totaled \$58,469 in 1998; therefore, approximately \$29,250 is attributable to the personnel function. Personnel responsibilities include new employee orientation, processing state, federal and health benefit forms, maintaining the employee personnel files and leave (sick, vacation, personal, etc.) usage and updating the personnel manual. Twenty-five percent of her time is spent as confidential secretary for the township administrator and another 25% as the health benefit and general insurance coordinator for the township.

Staffing

The township employed 114 full-time employees, 34 part-time employees and 141 temporary/seasonal employees during the course of 1998. Among the full and part-time personnel were 28 employees who work for joint agencies of the township and borough. This included 12 in Corner House, 11 in recreation, two in senior transportation and three in the planning board. There have been no significant staff changes over the past ten years.

Personnel Policy Manual

The township has maintained a personnel policy manual for at least 20 years. The manual is reviewed by the township committee, department heads and a few employees selected by the committee, on an on-going basis. When policy changes occur, the document is updated in a timely manner. While reviewing the manual, it was noted by township personnel that some of the policies are not being enforced. For example, the manual stipulates that overtime eligibility is based on time worked and employee absences are not to be registered as time worked. Therefore, if an employee is absent one day from work and works overtime that same week, the employee is not eligible for overtime until the employee works over 40 hours that week.

Recommendation:

The township is commended for the timely update of the personnel manual; however, those items stipulated in the manual that are not enforced should either be enforced or deleted from the manual.

Performance Evaluations

The personnel policies and procedures manual states that employee performance evaluations will be prepared annually by the employee's immediate supervisor and submitted to the department

head for review and comment; then submitted to the township administrator's office for review and appropriate action. The rating period is standard for all employees; August 1st through July 31st with the evaluation completed by October 1st. The purpose of the evaluations is to "inform employees as to how well they are performing and to offer constructive criticism on how they can improve their work performance. The evaluation is also considered in decisions affecting salary advancement, promotion, demotion, dismissal, placement and training needs." The performance evaluations for all township employees are kept in the administrator's office in the respective employee personnel file. A review of the personnel records revealed that approximately 35% of the staff members did not have an evaluation during 1998; however, they did receive the annual salary increase. The majority of the staff members with no evaluations were from the roads and engineering departments.

Recommendation:

It is recommended that the township administrators enforce compliance with the performance evaluation process for all employees and withhold any salary increase to the supervisors that do not complete the evaluation.

Salary Increases

All non-uniformed township employees are eligible to receive an annual across the board salary increase determined by the township committee. The amount of the increase is based on a salary survey of nearby communities and changes in the consumer price index. The salary increases over the last four years averaged 3.4% for non-uniform personnel. The salary increases for uniformed police personnel are covered under a collective bargaining agreement. The average increase over the last four years was 4.2% for uniform personnel.

Job Descriptions

The township does not maintain standard job descriptions for each position, but rather relies on the work standards on the performance evaluations. In the cases where no performance evaluations are completed, the employees have no job description.

It is commendable that attempts to reduce paperwork are made by combining the job description with the evaluation document. For this to be effective the evaluation process must be followed for all employees and work standards should be developed, based on the job title and function for each employee.

Recommendation:

It is recommended that performance evaluations are completed annually for all employees and that work standards be developed, based on the function of the person being reviewed.

Sick Leave

The township views sick leave as a privilege and not entitlement. The personnel manual has several policies regarding the use and abuse of sick leave. These policies are in place to prevent the abuse of sick leave. For example, employees must call their supervisor to report an absence

due to an illness prior to the employee's starting time and, on each successive day of absence, unless a healthcare provider has specified in writing the length of the illness and expected return date. Another example is the department head or administrator may, at any time, request a written certification regarding the illness from the attending healthcare provider when a pattern of absences is displayed. The personnel manual provides a definition of what constitutes a patterned absence. Abuse of sick leave is subject to disciplinary action as follows; first offense is a written reprimand, second offense is one-day suspension, third offense is three-day suspension and fourth offense is grounds for dismissal. The administrator's office provides the department heads with quarterly reports on sick leave usage for their review.

The township implemented a change in the allotment of sick leave in 1997. For all employees hired after January 1, 1997, 12 days are allocated annually and may be accumulated up to 100 days. Employees do not receive compensation for unused sick leave. Employees hired before January 1, 1997 earned a range of 65-100 days per year depending on length of service but were not allowed to carry any over. The revised policy is conservative in terms of what is allocated annually and allows for sick leave coverage in the event of a serious illness.

Vacation Leave

The vacation leave granted to township employees was reviewed and compared to the vacation leave allotted by the State of New Jersey. Approximately 62% of the township employees receive between three and five more vacation days annually than the state allocates. These additional days equate to approximately \$45,000 annually, based on 1998 salaries.

The township permits employees to accumulate a maximum of five unused vacation days for nonexempt (eligible for overtime) employees and a maximum of 30 days for exempt (not eligible for overtime) employees. The exempt employees, however, are prohibited from taking more than ten accumulated vacation days plus the normal vacation allotment per year. There is no lump sum vacation payment at retirement; therefore, all vacation leave accumulated and earned must be taken in the year the employee retires.

Recommendation:

It is recommended that the vacation leave be adjusted to be more consistent with the state vacation schedule.

Potential Cost Savings: \$45,000

Separation/Terminal Pay

The township has a conservative policy regarding lump sum payments at the time of separation or retirement. There is no payout for accumulated sick leave. The non-uniform employees are eligible for terminal pay upon normal township retirement (25 years of continuous township service, or 20 years of continuous service and the minimum retirement age under the pension system) at the rate of one and one-half day per year of employment. Also, at the time of a separation of service not by retirement, only the accrued and earned vacation days are eligible for payment. This conservative policy is commendable.

PAYROLL

The township maintains a biweekly payroll cycle for all employees. The payroll is outsourced to a payroll company. However, there are certain functions that the township provides. The same company has been servicing the payroll for the last seven years. The township employs a payroll clerk who spends approximately 75% of her time performing the payroll functions: preparing data sheets, validating the accuracy of subsequent reports and checks and completion of various state and federal forms. The salary and direct benefit costs of the payroll clerk was \$35,700; therefore, approximately \$26,775 is attributable to the payroll functions. The assistant chief financial officer backs up the payroll clerk. The payroll clerk spends the other 25% of her time performing support functions for the tax office. The main banking partner of the township covers the payroll fees in exchange for the township's business.

Recommendation:

It is recommended that the township prepare a request for proposal for payroll services every three years to compare services and costs.

HEALTH BENEFITS

The Township of Princeton offers its employees the choice of a traditional plan or two HMOs. The township has low co-pays, found in both HMO plans as well as the prescription plan. This has led to a cost increase in the managed care portions of health insurance in the township of more than 20%, while the traditional plan cost has not been increased for the 1999 renewal.

Based upon 1999 renewal figures provided by the township's broker, the township is expected to spend approximately \$870,000 for all health-related insurance. The actual costs attributable to each category of insurance as identified by LGBR are \$667,000 for health insurance, \$80,000 for dental insurance, and \$123,000 for prescription insurance.

According to the renewal information provided to the team and current charges for the State's Health Benefits Plan (SHBP), the township would save approximately \$60,000 by switching to SHBP. More could be saved through successful implementation of the plan design changes discussed in this section.

Plan design changes need to be negotiated with the collective bargaining unit within the township. Princeton Borough has successfully negotiated several of the recommended plan design changes with the same police union. The township needs to either choose to negotiate more aggressively or consider switching to the state plan.

The township currently is using an HMO as the benchmark plan, but only requires new township employees to pay the difference in plan costs. All employees hired since 1991, who select the traditional plan, are required to pay half the difference in rates. All employees, who were already in the traditional plan, were grandfathered. Only one individual, since the grandfathering date, has chosen to switch to a less costly HMO. The township is commended for implementing this

change. It has held the number of new subscribers to the traditional plan to a minimum. However, overall it has had very little impact on the costs of the benefits. LGBR believes that eliminating the grandfathering provision is not only possible but also necessary in order to reduce health benefit costs. Negotiating a 50% premium co-pay for the difference in rates between the traditional plan and the HMOs would result in a cost saving of at least \$48,000.

Recommendation:

It is recommended that the township negotiate a premium co-pay of 50% of the difference in cost between the benchmark HMO and the traditional plan for grandfathered employees who elect to remain in the traditional plan after the premium co-pay is introduced.

Potential Cost Savings: \$48,000

Two types of plan design changes are recommended to lower the cost of the plan. They are lowering the cost of delivery of healthcare and reducing the frequency of visits required for healthcare. Currently, the HMOs have either no co-pay or a \$2 co-pay for doctor's office visits. It is estimated that the township could save about \$17,500 - \$35,000 if the co-pay is changed to a more realistic \$10 per office visit. This savings would be accomplished through a combination of the reduction in costs through user fees, as well as a reduction in utilization.

Recommendation:

It is recommended that the township negotiate a \$10 co-pay with its HMOs.

Potential Cost Savings: \$17,500 - \$35,000

Recently one of the insurers switched ambulatory surgery to outpatient facilities to save on the costs associated with surgical procedures. It is estimated that the township could save about 5% from its managed care costs, or another \$17,500 by restricting ambulatory surgery procedures to outpatient facilities when practicable.

Recommendation:

It is recommended that the township and healthcare provider restrict ambulatory surgery to outpatient facilities when practicable.

Potential Cost Savings: \$17,500

Better usage of the networks by participants could result in greater traditional plan savings. Using a more comprehensive network for the area's employees, the township could save approximately 5% of the cost of the traditional plan or \$16,200. The township could also negotiate a plan design change toward a point of service option, which would save approximately 10% or \$32,400 for the group.

Recommendations:

It is recommended that the township and broker consider switching networks if the doctors utilized by the traditional group are better covered in another network.

Potential Cost Savings: \$16,200

It is recommended that the township consider a plan design change to a point of service option.

Potential Cost Savings: \$32,400

Plan Design Changes	Plans		
	Traditional	HMO	Totals
Increase Co-pays		17,500	
Outpatient Ambulatory		17,500	
Network Discounts	16,200		
Switch to POS design	32,400		
Totals	48,600	35,000	83,600
Totals with Benchmark Plan Change	56,200	35,000	91,200

If the township cannot make these changes, it is recommended that the township switch to the State Health Benefit Plan.

Having a 20% co-pay for all plans for employees choosing full family or parent and child coverage would save at least \$63,000.

Recommendation:

It is recommended that the township negotiate a 20% other than single co-pay with its employees.

Potential Cost Savings: \$63,000

These recommendations cannot simply be added together to arrive at a total for savings. Instead the recommendations need to be looked upon in their order of implementation. There are some concepts that, simply, will prevent others from being implemented and some that will make others more difficult to implement or will reduce the amount of savings. This is because negotiation would make it more difficult, or savings would be less, when combined with other cost savings measures.

PRESCRIPTION PLAN

The township offers a prescription plan for all of its employees. One of the HMOs provides prescription plans to its members as part of its medical coverage with a co-pay level of \$5 for all prescriptions. A separate prescription program is available to participants in the other HMO and the traditional plan. The costs for the traditional prescription plan and the other HMO Rx plan

have increased at a rate of 20% for each renewal for the past two years. These costs are expected to continue to increase at this rate unless there are changes in plan design.

The HMO provider which includes prescriptions, has recently introduced the concept of three-tier co-pay to some of its clients. This allows the flexibility of covering all prescriptions, but generics are charged one rate (\$5), brand name medications are charged another rate (\$10), and higher priced brand names are charged a third rate (\$25). The township should consider this alternative to its current situation of either one-tier co-pay for its employees in the HMO that includes a prescription plan and the two-tier configuration of the separate prescription plan. The cost savings for the plan that is currently included in its HMO costs would be 8-10% of the prescription component, estimated by the review team to be \$49,900. The HMO component for the plan that has a separate prescription plan is estimated to cost \$20,700. The total component for HMO prescription is estimated to cost \$70,600. The savings estimate for a three-tier co-pay on HMO participants is 8-10% or \$5,650 - \$7,060.

Recommendation:

It is recommended that the township switch to three-tier co-pay for all of its HMO participants.

Potential Cost Savings: \$5,650 - \$7,060

Currently, 78 employees of the township are enrolled in the traditional and HMO plans, which do not include a prescription plan. They participate in a separate prescription program at a cost of approximately \$73,000. The broker is anticipating a 20% increase for the year 2000, which would bring the costs of the overall prescription plan to \$87,600. The plan's open formulary and low co-pay levels (\$3/\$5) contribute to the large cost increase.

There are a variety of techniques that can be negotiated and implemented in order to keep costs down. The introduction of three-tier prescription plans and the use of drug formularies to keep costs in check are becoming popular methods of controlling costs. However, the township can seek percentage co-pays for all traditional coverage employees. There are 51 participants in the traditional plan that cost \$52,400 for 1999. The other employees are in an HMO prescription plan and are included in the savings suggestion for HMOs.

According to statistics provided by the broker, the traditional plan members have a high utilization rate for prescriptions. An incentive to lower prescription costs and to move people from the traditional plan would be to negotiate for the elimination of the prescription plan for traditional plan participants. In this circumstance, prescription coverage would be provided through the major medical coverage at 80%. This would effectively replace a plan with very low co-pay levels with one that charges on a percentage basis for drugs. If the township were to implement a 20% co-pay for its traditional plan employees, about \$10,000 a year could be saved after the co-pays currently being paid are discounted. An added benefit to this change could be the encouragement of more employees to choose one of the less expensive HMO plans.

Recommendation:

It is recommended that the township negotiate dropping prescription coverage for its traditional employees, thereby, incorporating it into the traditional coverage.

Potential Cost Savings: \$10,000

INSURANCE

Princeton Township shops frequently for the best possible property and casualty coverage as well as workers' compensation coverage. The township participates in an insurance pool for all property and casualty coverage other than workers' compensation. For workers' compensation, the township participates in a Joint Insurance Fund (JIF). The township has a broker that represents it regarding insurance.

The township may have disrupted the marketplace because it shopped so frequently. It costs an insurance concern a significant amount of money to put together a quote. The township should regularly solicit bids but on a less frequent basis; either once every three years or when one or more of the insurance lines has dramatic increases.

Recommendation:

It is recommended that the township continue to shop for insurance and consider rate guarantees over the maximum allowable period of three years while testing the market less frequently than they have in the past.

Of concern to the insurance broker and the review team was the number of days missed because of workplace injury. The township is attempting to reduce the number of days lost with safety meetings, use of information and training. During the review process, the team attended a safety meeting for the township. Also attending the meeting were the joint insurance fund manager, the township's risk manager and the fund's safety consultant. Meetings are held regularly by most of the departments in the township. It should be noted that the fire department and the first aid squad, which serve both the township and the borough, were absent from the safety meeting.

Recommendation:

It is recommended that all departments attend the safety committee meetings. The fire department and first aid squad can add significantly to safe procedures for accomplishing work and, given the subsidy that the township gives both entities, it would benefit both parties to attend safety meetings.

The team was impressed by the amount of training offered through the safety consultant and the JIF for workers' compensation. The township's approach for risk mitigation is different from the borough's approach, yet the tactic has benefited the township, just as the borough's tactic has benefited the borough. Both municipalities have found methods that seem to work for them.

The township has a strong relationship with its insurance broker. The relationship has developed over many years and has benefited both parties. It has been the position of LGBR that in order to clarify to the public the relationship and the cost of the relationship, the township should consider changing the relationship from broker to risk manager paid on a fee basis, not commission. This would inform the public how much the broker is reimbursed for services and what is expected from representation in the form of a contract.

Recommendation:

It is recommended that they award and execute a reimbursed fee for service contract with a risk manager.

INFORMATION TECHNOLOGY

The township started an informal technology committee approximately three years ago. It meets on a monthly basis to discuss the various uses of technological hardware and software in conducting municipal business. The committee is comprised of township employees with an interest and some knowledge of today's technology.

The township has no formal written technology plan, but rather relies on the technology committee for guidance. The committee has been very instrumental in addressing various technological issues such as Y2K compliance and hardware and software platform utilization. The review team was able to identify the following purchases of technology equipment during 1998: 40 computers with average Pentium two technology (speed, RAM and hard drive capacity), three computers with above average Pentium 2 technology, one lap top computer, and four servers (computers that provide the network) under a state contract. The computers all have a uniform software platform and operating system. The cost was \$109,240. These purchases have resulted in a 90% Y2K compliance rate and have provided a solid technology foundation. The remaining 10% were scheduled for replacement and compliance in 1999.

Recommendation:

The township is fortunate to have a technology committee; however, it is recommended that the township develop and formalize a technology plan for making the best possible use of current technology and implementing those uses.

One of the advantages of purchasing under state contract is receiving a fair market price without preparing the paperwork for the bid process. However, there are some instances where because of the market, the state contract may not be the best available price. Purchases of technological equipment are one of these instances. An alternative would be to solicit bids first and compare them with the state contract to determine the best available price.

The township has 70 computers, 20 of which are in the police department. The police and municipal computers are networked separately, but they are all connected for electronic mail. Approximately 50 of the computers have Internet access. The township has no written Internet policy. As previously discussed, the township departments all utilize the same software platform

and operating system. The police department also operates with a uniform software platform but has two different operating systems, Windows 95 and Windows NT. A uniformed officer within the department provides technology support for the police department.

The township and police department each maintain an inventory of computer equipment. The township's inventory provides the serial number of the computer and the name of the employee assigned the computer. The police department's inventory provides the employee's name, software, and hardware components, but no serial numbers.

Recommendation:

It is recommended that the township establish a policy on the appropriate usage of the Internet. Also, the computer inventory documents of the police and municipal departments should include the following information: serial number of all hardware, software on computer, and employee assigned.

An employee of the Princeton Regional School District provided the information technology staff support functions during 1998 under an informal agreement. The employee left the school district during 1998 and the technology committee chairperson assumed the staff support functions. A review of the invoices for the support functions revealed that the township paid approximately \$34,000 to the school. Currently, the staff support functions are split between hardware and software problems. Each department has been given the authority to contact the company awarded the service agreement directly. Problems relating to software are reported and handled by the employee who has the most expertise with that software. It is important to have one individual responsible for coordinating all aspects of information technology. One solution may be for the school district, the township and the borough to contract with one individual and share the costs.

Recommendation:

It is recommended that the township cooperate with the borough and the board of education in hiring a technology staff person who can be shared by all entities.

Potential Cost Savings: \$14,000

LEGAL

During 1998, the team identified a total of \$694,520 in legal expenditures. Of that amount, \$205,785 was attributable to general municipal legal services. The following table illustrates the various legal expenses paid as indicated by the vendor history file:

Service/Account	Amount
Retainer-General Legal Services	\$75,000
General Legal Services	\$130,785
Escrow (Housing Development)	\$18,492

Capital (Municipal Capital Projects)	\$60,322
Affordable Housing Operations	\$79,191
Affordable Housing Capital	\$60,557
Bond Counsel	\$23,909
Total	\$448,256

The township has retained the same law firm for general municipal legal services for the past 45 years, under a professional service agreement. Historically, the township has an attorney with the law firm on a retainer basis for general legal services. There is no written document describing the work covered under the retainer. However, conversations with township employees and the township attorney indicate the retainer covers attendance at the committee and agenda meetings and other general legal services such as, preparation of ordinances, professional service agreements, and legal advice to township committee and staff. The retainer for 1998 was set at \$75,000, based upon a monthly average of 52.50 hours or 630 hours annually. The retainer is paid through the township payroll, which means the township must also pay the statutory benefits of social security, Medicare and pension payments on behalf of the individual. When these costs are accounted for, the total retainer increases to \$82,988 or approximately \$130 per hour. It is estimated that committee meetings are generally 3 to 3.5 hours in duration and agenda meetings three hours, with an average of three committee and agenda meetings each month. The attorney estimates approximately 230 hours annually are attributable to committee and agenda meetings and 400 hours to other general legal services.

Generally, the routine nature of committee meetings lends itself to the use of a retainer at a reduced hourly rate. The hourly rate of \$130 was compared to the hourly rate stipulated under the professional service agreement and the retainer rate was found to be within the same range as the agreement rates. Since there appears to be little or no benefit to paying a retainer, it is recommended that the township eliminate the retainer payment and include those services in the professional service agreement.

Recommendation:

If the township is unable to negotiate a reduced rate under the retainer, it is recommended that the township eliminate the retainer payment and include those services currently covered by the retainer under the professional service agreement. If a reduced rate is negotiated, it is recommended the retainer services be delineated in a written document.

Potential Cost Savings: \$7,988

The professional service agreement states that the law firm will provide legal services above the municipal court level not covered by the base retainer, and legal services in connection with special projects (such as representation of the Princeton Township Housing Board) on an hourly basis, at a rate between \$115 and \$135. Through conversations with the township attorney, it was determined that the hourly rate charged depends on the sophistication of the service. For example, litigation, capital projects and municipal land use matters are billed at the rate of \$135 per hour, while routine personnel matters would be billed at the rate of \$115 per hour. The

invoices submitted by the law firm for general municipal legal services, not covered by the retainer, amounted to \$130,785. The following table illustrates the service and the amount attributable:

Service	Amount
Historic Preservation	\$1,701
General Legal Services	\$30,581
Tax Appeals	\$3,733
Recreation	\$2,857
Miscellaneous	\$1,966
Corner House	\$631
Labor and Employment	\$9,512
Litigation	\$78,869
IAS Bond	\$935
Total	\$130,785

Using an average of \$125 per hour, the law firm billed a total of 1,045 hours on general municipal legal services above those covered under the retainer. When the hours under the retainer are included, the number of hours for legal services was approximately 1,675. This is slightly above the number of hours for a full-time 35 hours per week staff attorney including vacation, sick, personal and holiday leave.

Based upon the number of hours currently billed, the township should consider hiring a full-time staff attorney. According to the 1997 wage survey conducted by the State Department of Labor, the median annual salary for attorneys is \$85,280. It is estimated that salary, benefits and other salary related costs for a full-time attorney would be \$100,000. Support staff for the attorney, if needed, would cost an additional \$40,000 in salary and benefit costs. If a community were to pay more in order to get proven quality, or compensate for the cost of living in the area, there would still be savings.

Recommendation:

It is suggested that the township committee hire a full-time staff attorney and support staff.

Value Added Expense: \$140,000

Cost Savings: \$205,785

Housing Board

The law firm also provides legal services to the Princeton Township Affordable Housing Board. The services are divided between affordable housing operations, and affordable housing capital. The 1998 cost for legal services under the affordable housing operation account was \$79,190. The services included attendance at the bi-weekly board meetings, review of contracts, preparation of legal documents relating to rehabilitation projects, and assuring compliance with state mandated requirements.

The law firm is also involved with capital acquisitions relating to affordable housing. The 1998 cost associated with this service was \$306,820. Included in this amount was \$246,263 of affordable housing properties purchased by the law firm on behalf of the township from a trust account established by the law firm. The properties purchased are those which could not be sold to a qualified buyer within the time period established by the housing board. The properties are then resold to qualified candidates and the money returned to the township affordable housing capital account. This process is in place to assure the township does not lose any properties designated as affordable housing. Another \$22,343 was for litigation related to work imperfections by a contractor of an affordable housing development. The remaining \$38,214 was for closing costs associated with the purchase and sale of affordable housing properties.

Other Legal

As required, there is one township prosecutor and one public defender retained on professional service agreements for \$31,185 and \$17,325 respectively.

PROFESSIONAL SERVICE AGREEMENTS

The township utilizes numerous professional service agreements to provide a wide range of services. The agreements are all kept in the clerk's office. A review of the agreements indicates that the majority have specific dollar amounts with a "not to exceed" clause. There are many benefits of utilizing professional service agreements. It is even appropriate to maintain continuity by routinely renewing annual professional services contracts for a few consecutive years. Even when completely satisfied with professional services, the township should solicit cost proposals for the services every few years, to ensure that fees are competitive and appropriate.

The township is commended for its consistent use of professional service agreements with specific monetary values and "not to exceed" clauses.

Recommendation:

It is recommended that the township solicit competitive proposals when preparing to renew agreements for professional services, not annually, but every few years or when the provider is determined to need to be changed, to ensure that fees are competitive and appropriate.

AFFORDABLE HOUSING

The Township of Princeton demonstrated a commitment to maintaining and protecting the diversity of its housing stock and, thus, the diversity of its population even before it became mandated under the Council On Affordable Housing (COAH) regulations in the mid-1980's as the result of the Mount Laurel decisions. The township's program is unique because the price is set based on gross income. The township's program predated Mount Laurel. COAH regulations were written to allow this approach.

The Council on Affordable Housing Annual Report indicates that the municipality was determined to have a pre-credited need of 381 units. This was adjusted to give credit for six units which predated COAH and includes 50 rehab units and 325 new units. The 325 units include:

- 140 municipally developed;
- 16 units developed by a nonprofit development;
- 83 rental bonus credits;
- 60 zoned;
- two group homes;
- one total rehabilitation; and
- the township paid \$460,000 to Trenton to provide 23 affordable units.

The township continues its commitment to affordable housing initiatives that will meet the mandate of 325 new units by 1999. This will fulfill the requirement for new affordable housing until 2002 when new COAH requirements are expected to be promulgated. The township has also made significant progress in the area of rehabilitation with 25 of the 50 required units completed or in progress.

The practice of pricing units in accordance with the income of a particular client has resulted in no net cost to the program. However, this has occurred in a time of an expanding economy. This may not be sustainable in a recession.

Recommendation:

The unique method of pricing units in this program should be carefully monitored, particularly, if the economy enters recession. If problems occur, the municipality should consider a fixed price per unit to protect the investment in these affordable properties and limit the costs incurred by the municipality.

Governance

The affordable housing board was created by ordinance and charged with monitoring the township's compliance in providing housing for low and moderate income families under its COAH obligation. The board consists of six members and one alternate appointed by the mayor. One township council member is liaison. The board is responsible for establishing and assuring compliance with the regulations relating to the sale, resale and rental of units, for certifying eligibility, processing applications and establishing waiting lists for affordable housing.

Affordable Housing Overlay Zone

The affordable housing overlay zone provides a mechanism for the township to promote affordable housing development within new housing developments. It requires that any new application for residential development provide a 22% set aside for affordable housing or make a cash payment in lieu of the set aside. If only a single property is developed, a payment of 1/2% of the equalized assessed value is required.

Revenue, Development Fees and Contributions

In 1998, the township contributed \$548,140 to the affordable housing program. The program also received \$301,519 in refunding bond trustee revenues, \$700,000 in development fees and \$57,050 in accrued interest on bonds for housing rehabilitation. The development fee is set at 1/2% equalized assessed valuation for residential and 1% for commercial.

Administrative Expenses and Support

The township payroll records indicate that one full-time and two part-time employees are engaged in affordable housing activities. There is one staff person who serves as the coordinator for the affordable housing program. In 1998, 100% of this salary was charged to the program's operating budget. The two part-time positions are charged to capital expenses. The salary and benefit cost for all positions is \$113,064. \$63,992 of this operations salary and benefit expense was paid from capital. The capital expense reports do not delineate how this transfer to payroll is accomplished.

Records

There were only partial records available for analysis of budgets, audits, and financial statements provide some general information. Detailed records of the history of the program and operation were not available.

Affordable Units

Washington Oaks: The municipality, as the result of a lawsuit, was forced to change the zoning for the land where the Washington Oaks complex now exists. The original zone was two acre zoning per dwelling. This was changed to high density. There are 300 units in this complex of which 60 are affordable housing restricted. The cost to the municipality was in the form of infrastructure improvements and schools.

Griggs Farm Development: Princeton Community Housing entered upon an ambitious undertaking of developing an affordable complex that was 50/50 affordable and market. The normal percentage of affordable to market units is 15% to 20%. This venture fell victim to an over ambitious and overly optimistic concept, an inadequately planned construction schedule, and a static real estate market. The township, through the affordable housing operation, provided the financial backing of the debt for this project. The resultant default forced the municipality to bail out this venture at a cost of more than \$7,000,000. In 1998, the bond for this debt cost \$445,000 in principal and \$286,240 in interest. The impact of this spending has been mitigated by a recent program surplus of \$1.6 million.

Rehabilitation

The township has a very generous rehabilitation program. While COAH regulations require that an average minimum of \$8,000 be spent for rehab projects, the township has an average minimum of \$20,000. The township believes that this level of funding produces a much more durable product.

Program Operation

Prospective owners are required to make a down payment of three percent of the cost of the dwelling. The township has been forced, by circumstance, to provide loans to owners at Washington Oaks as a result of a 60% increase in the association fee. The program provides loans to owners for association dues and down payments. These loans are attached to the property and are due upon the sale of the property.

Some unit owners have sublet their dwellings in violation of the COAH rules and have been evicted at expense to this program. In some instances, the rental is in excess of what is allowable for affordable units and is without the required sub-rental permission. Others have refinanced their dwellings at market value and banks have failed to discover the deed restrictions (see regulatory reform section).

The municipality has acquired several properties as a result of program rules during 1998. The municipality, according to program rules, is required to purchase a “for sale unit” after eight months on the market. This is a considerable expense to the program designed to maintain this inventory of affordable housing.

Records indicate that in 1998 the township was the owner of seven affordable housing units at a total carrying cost of \$20,910.

Recommendation:

It is recommended that the township use the current marketing opportunity to develop an ongoing marketing program and list of eligible, currently qualified, applicants in order to assure the quickest possible turnover of units. This, in turn, will reduce the holding costs borne by the township in developing affordable housing.

Another taxpayer cost to consider is the cost transferred from these properties to the taxpayers, in general, due to the reduced assessments on these properties. The properties in this program are assessed, on the average, approximately 25% under the true market value of that property if it were not in the affordable housing program. The estimated reduction in tax collection is approximately \$90,000 per year for all units.

Affordability Controls

The township has established affordability controls for each type of affordable housing program. Deed restriction is the mechanism used for the “for sale” units, the “for rent” units and the rehabilitated units.

Recommendations:

More aggressively pursue rehabilitation efforts. These are clearly more cost effective and serve to assist current residents directly.

Continue to work closely with low income housing providers to maximize resources in the production of certifiable renovations.

There are no guidelines for the determination of how much debt is too much debt when qualifying for an affordable housing certification. The staff does extensive research in this area and has been quite successful in this effort. Establishing guidelines and a closer monitoring of the debt habits of prospective applicants should reduce foreclosures.

Recommendation:

It is recommended that the program establish and monitor guidelines regarding the debt of all program participants.

FINANCE

The finance staff consists of a CFO/tax collector/treasurer, an assistant chief financial officer, a purchasing coordinator and three account clerks. Total 1998 salaries and benefits for the staff was \$297,445. Other 1998 expenses for general finance were \$37,961. Responsibilities of general finance include oversight of tax collection, investments and cash management, fixed asset inventory, purchasing, engineering escrow account management, and payroll.

AUDIT

The most recent audit available was for the year ending December 31, 1998. In this audit there were seven comments, which were considered nonmaterial but requiring action. Three were repeated from 1997.

- The fixed asset inventory was not updated for 1997 and 1998.
- Testing of the payroll expenditures indicated some employees eligible for pension were not enrolled in the pension system.
- The Public Assistance GA6 reports were not always completed on a timely basis.
- The fire prevention bureau did not have all bank statements and cancelled checks available for audit.
- The fire prevention bureau bank statements were not reconciled in a timely manner.
- The fire prevention bureau did not deposit monies collected within 48 hours.
- The municipal court bail computerized accounts were not reconciled.

The CFO is preparing a corrective action plan and each of these issues is being addressed.

PURCHASING

Purchasing is decentralized and in the process of being automated with the township's current financial systems vendor. Salary and benefit costs attributable to this function are \$93,669 and equate to 2.5 full-time equivalent staff members.

The office processes an estimated 3,500 purchase orders annually. Recently it has worked closely with the departments to assure that there are fewer confirming orders.

CAPITAL INVESTMENT/DEBT

According to the 1998 Annual Debt Statement, the township's net debt was \$42,226,780 or 2.04% of the equalized valuation for the three preceding years. This is below the statutory limit of 3.5% (N.J.S.A. 40A:2-6). The township also has approximately \$3.35 million in wastewater treatment trust loans outstanding and \$7.1 million in green trust loans. Reserve for wastewater trust loan and green trust loans and loan proceeds amount to \$4,902,883, which are dedicated to the payment of debt service.

Capital improvements authorized and funded in 1998 totaled \$1,005,000 and included funding for relocating the recreation building, acquisition of a new computer system and a variety of road and bridge improvements. The appropriate down payments were funded. \$3,466,763 in improvements were authorized but not funded including, upgrading the phone system, along with various road and sewer improvements. In 1998, down payments of \$370,078 were authorized from the capital improvement fund and \$7,031,468 in new debt was authorized. \$360,535 was budgeted for purposes of paying principal and interest on outstanding notes. In addition, the BANs pay-down was increased from \$4.4 to \$6.2 million. These two techniques show that the township is following a modified pay as you go approach to many capital improvements. Financing from the current budget and even using BANs, instead of permanent financing, saves on interest costs, work time, and professional fees.

The township's capital planning and management program, a six-year list of planned capital projects, is filed with the budget document and is generally adhered to.

CASH MANAGEMENT

The township maintains 32 bank accounts with five different banks. There are 17 accounts with PNC bank, eight accounts with Summit Bank, five accounts with New Jersey National Bank, one account with Sovereign Bank, and one account with First Fidelity. According to the township's CFO, each account serves a specific purpose. In addition to the bank accounts, the township maintained an account with the New Jersey Cash Management Fund (NJCMF) and an account with a private broker. In accordance with the cash management plan adopted by the township committee, the CFO is responsible for implementing the township's cash management plan.

The township has been using Summit and PNC Bank for at least the past 20 years. The primary reason for this long-standing relationship is a commitment to utilize banks within the township. There are no written agreements with the banks and the township has not solicited bids for any of their banking services.

The township does not utilize any automated on-line services such as balance reporting, which would give the township real time access to the fund balances in any of its cash accounts. The best way for the township to determine the viability of any automated or other banking service is to meet with its government-banking representative and discuss user needs versus product offerings.

Recommendation:

It is recommended that the township issue a Request for Proposal (RFP) on a regular basis to assure it is receiving the best possible return on its investments. Selection of a banking service provider should then result in a written agreement detailing the banking services and their costs.

Cash Analysis

The review team analyzed the township's investment income and concluded that the township earned competitive interest rates on its fund balances. During 1998, the township earned approximately \$940,000 in total interest income. The interest is earned and credited back to various township accounts; for example, approximately \$635,000 was earned and credited to the current fund, \$151,000 was earned and credited to the wastewater capital account and \$154,000 was credited to trust and other escrow accounts.

Approximately 60%, or \$380,000, of the interest earned in the current fund was under a sweep account in PNC Bank. The sweep account allows the aggregation of the cash balances at the end of the business day for purposes of crediting interest. In doing so, the township gets the benefit of an interest rate 5% better than other rates because it is based on the cumulative balances of all of the accounts. The remaining interest was earned through various other investment options.

The team compared the actual interest paid to the current fund by the sweep account to the estimated potential earnings from the New Jersey Cash Management Fund (NJCMF) as well as to the 91-Day T-Bill. These amounts were \$380,000 for the sweep account, \$382,100 for NJCMF and \$349,400 for the 91-day T-Bill. The comparison shows an additional \$2,100 of interest could have been earned in the NJCMF, while a decrease of \$30,600 of interest would have been earned in the 91-day T-Bill. Acknowledging that prudent investment practices and practical cash flow considerations would not allow funds to be deposited into just one of these instruments, we conclude that the township has effectively maximized its earnings potential.

BUDGET

The 1998 total general appropriation for the township was \$21,416,776. The administration and committee conduct a budget development process that begins with the department heads. It is compiled by the finance office and then reviewed by the administrator, the finance officer and the finance committee before being presented to the full committee for action.

Joint agency administration and, therefore, the budgets, are assigned to one of the two municipalities. Each joint budget is approved at a joint meeting of the two governing bodies. In 1999, two improvements were made to the joint budgeting process. First, the administrators developed a consent agenda for those items which were clearly not controversial or involved no major changes. Second, all policy discussions were postponed to be heard at meetings during the summer, separately from the budgeting process.

The municipalities are commended for identifying and implementing measures to facilitate the budgeting and policy management of joint agencies.

Expenditures

Actual 1998 expenditures were \$19,904,290 with reserves of \$1,389,259. The reserves are 7% of the appropriated amount. The unexpended balance of 1998 reserves cancelled was \$103,248 or 7% of the reserves. In 1997, 74% of the reserves lapsed or \$561,592. The lapsed reserves, plus the balance, cancelled amount to an insignificant portion of the total municipal budget and, therefore, indicate an accurate estimation of expenditures. The percent lapsed has increased each year. Assuming a reversal in the trend and just 60% lapsed, the dollar amount would be \$849,647 in 1998. The CFO indicated that for 1999 they are canceling appropriations because the estimated reserves total \$900,000.

Recommendation:

It is recommended that the finance officer cancel appropriations before the end of the year in order to realize the surplus amount sooner.

Revenues

Budget revenue estimates were fairly accurate in 1998. The net variation over anticipated revenues was a little more than \$55,000. The highest variance was interest on investments, which can be difficult to estimate depending on the market at a given time. Municipal court revenues and interest and cost on taxes were overestimated by 9% and 20%, respectively. These revenues are more difficult to estimate and it appears that the township has made more conservative estimates for 1999.

Tax Collection Rate

The 1998 anticipated collection rate was 96% and the actual rate was 98.68% in 1998 and 98.32% in 1997. The anticipated collection rate for 1999 is again 96%. The 1998 reserve for uncollected taxes was \$1,721,433 and in 1999 it was \$1,784,563. Raising the anticipated tax collection rate by one percent to 97% would reduce the need for taxes by more than \$400,000 and increasing it to 97.5% would reduce taxes by a total of more than \$600,000.

Recommendation:

Because the tax collection rate is consistently above 98%, it is recommended that the anticipated tax collection rate be increased by 1 - 1.5% to 97% or 97.5%.

Cost Savings: \$400,000 - \$600,000

Surplus

The surplus has been between five and six million since 1995. The 1998 beginning year surplus was more than \$5 million and equaled 25% of the budget. This surplus is excessive. A 6% surplus would be approximately \$1.2 million and is considered more than appropriate. It appears that efforts have been made to reduce the year-end surplus by increasing the surplus appropriated

at a rate greater than the estimated addition to surplus. However, a more appropriate approach may be reducing the addition to surplus generated during the year. Reducing surplus must be done with caution so that it does not cause extreme fluctuations in the tax rate.

Conclusion

The budgeting practices of the township appear, in terms of revenue and expenditure estimates, to be good. The township, however, appears to be far more conservative than necessary in regard to reserve for uncollected taxes and surplus considering the financial health and growth in the tax base of the community. The surplus anticipated, the reserve for uncollected taxes and the surplus maintained by the community, should be examined together and adjusted to decrease the reserve for uncollected taxes. The township should use the surplus for tax relief, only to the extent that it is replenished in the previous year, and decrease the surplus generated during a budget year to assure a 6% fund balance.

TAX COLLECTION

Princeton Township's tax collection staff consists of the tax collector/CFO, assistant CFO/tax collector, a deputy tax collector and a full-time account clerk. A second clerk assists at the counter in addition to her payroll duties. The deputy tax collector, the account clerk and the payroll clerk costs are attributed to tax collection. In 1998, the costs for tax collection included \$88,200 in salaries, \$27,302 in direct benefits and \$10,849 in other expenses for a total of \$126,351. The township has 5,604 tax lines. The collection rate in 1998 was 98.68 on a total tax levy of \$42,622,735. Taxes and liens outstanding totaled \$687,898. Collections on that amount were 92.52%. Tax lien sales on seven properties were held in December. Two properties with little or no value will be foreclosed on.

The benchmark for line items per staff member is 3,000 – 3,300 and the productivity per staff person is 1,868 or 62% of the benchmark. Because the collection rate is high and staff works on other duties and the growth in the community is high, the team is not recommending a staff reduction at this point. However, the workload itself would require just two tax collection staff members.

TAX ASSESSOR

Princeton Township's tax base has 5,604 line items valued at \$2,110,036,398. It is growing rapidly, having added \$72 million in assessed value in 1998. These additions produced more than \$600,000 in revenues and were based on the inspection of 400 properties. The cost of this operation in 1998 was \$130,481 for salaries and benefits and \$12,202 for other expenditures, totaling \$142,967.

Princeton Township's assessor's office is staffed by an assessor working 30 hours weekly, and four part-time assistants who work a total of 59 hours weekly. The International Association of Assessing Officers benchmark established for 3,000 to 5,800 line items is 15 to 35 assessor hours

and 10 to 30 support staff hours per week. This translates to between 90 and 120 lines per weekly staff hour and the township's actual is 60. The amount of growth can be an explanation for the relatively low productivity and additional hours of staff time.

Recommendation:

It is recommended that the township closely monitor the productivity of its assessing operation, in order to assure that it is as productive as possible.

The equalization ratio for the township was 100.99 in 1998, with the last revaluation completed in 1996.

PAYMENT IN LIEU OF TAXES (PILOTS)

Princeton University owns \$169,820,500 in tax exempt property in the township and \$101,476,700 taxable property. It pays \$2 million in taxes, more than \$400,000 of which would be for municipal purposes. The university is exempt from \$3.4 million in taxes, \$770,440 of which would be for municipal purposes. No PILOT was identified from the university.

The Institute for Advanced Study pays a \$100,000 PILOT based on the local portion of the tax, on residential properties that are used by visiting scholars.

Princeton Community Village which provides senior housing paid a PILOT in the amount of \$169,551 in 1998. The payment was \$179,609 in 1999.

Recommendation:

The township is encouraged to make every effort to obtain as high a level of PILOT payments as possible from the tax-exempt institutions which benefit from municipal service delivery and the quality of life maintained through property taxes.

POLICE

The Princeton Township Police Department consists of 31 sworn officers and 8 civilians. The cost of this operation for 1998 consisted of \$2,241,974 in salaries, \$595,976 in-direct benefits and \$221,381 in other expenses for a total of \$3,059,331. There were 17 school-crossing guards that cost \$44,870 in salaries and \$5,213 in other costs. The total cost for the police department and the crossing guards for 1998 was \$3,109,414. Calls for service totaled 13,710. The department responded to 453 motor vehicle accidents and issued 2,798 moving summons as well as 1,781 non-moving summons.

Demographically, Princeton Township has a similar population, area, density, character and median income to Plainsboro Township, Holmdel Township, Montville Township, Bernard Township and Tinton Falls Borough. Based on the 1998 Uniform Crime Report (UCR), the

number of officers ranged from 31 in Princeton, Plainsboro and Bernards Townships to 42 in Montville. The crime index for Princeton was 220, which was low compared to a high of 316 for Montville. Princeton's population per officer was 449 with the low of 427 in Holmdel and the high being 660 in Bernards Township. The ratio for crimes per officer in Princeton was seven, along with Montville. The high was 10 in Bernards Township. Together these comparisons indicate that the staffing of the Princeton Township Police Department is consistent with similar communities and is more than adequate to deliver the level of service currently demanded by the residents. (Appendix A provides a detailed comparison of the communities.)

MISSION, POLICIES AND PROCEDURES

Princeton Township's Police Department is providing a high level of service to the community. The department developed a proposed mission statement in 1995 that was never enacted. A mission statement is important because it delineates a broad organizational goal, based on planning premises, which justifies the organization's existence. It is a significant part of an organization's identity and can do much to unify and motivate its members. It must be developed with input from the community it serves, adopted and implemented by the entire organization.

Recommendation:

It is recommended that a relevant mission statement, that defines the reason the department exists and how it will serve the community, be developed.

The department is currently updating its rules and regulations. The current set of rules dates back to the 1960's. The department showed the team a draft copy of rules and regulations that will be submitted for consideration. Policies and procedures are filed by the year of issue and are difficult to access; they are included in binders that contain memos and other orders. Without knowing the year in which the latest one was issued, an outdated version could be inadvertently used. The procedures that have been issued over the last nine years seem to be clear and well written.

Recommendation:

It is recommended that as part of the current revision process, the department develop a system for organizing and systematically updating policies and procedures as well as rules and regulations.

ORGANIZATION/OPERATIONS

The department is currently made up of a chief, one captain, two lieutenants, seven sergeants and seven corporals. These 18 supervisors control 13 officers, three full-time clerical and one part-time clerical, four full-time civilian dispatchers, three per diem dispatchers and 17 school crossing guards.

The department is divided into two branches. A lieutenant commands the administrative branch, which includes the detective bureau, the juvenile bureau, communications and traffic. Another lieutenant commands the operations branch, which consists of four patrol squads. Both lieutenants report to the captain who is the second in command and is responsible for training, public/press relations and updating the department's rules and regulations and the policies and procedures.

OPERATIONS BRANCH

The branch commander is responsible for the patrol squads, the bicycle unit and a host of administrative duties that include: "right to know" information; recruitment and testing; domestic violence; emergency management; planning and programming for the patrol branch; record keeping for work schedule; and purchasing supplies, equipment and clothing.

Patrol

The operations branch is made up of one lieutenant, four sergeants, four corporals, twelve officers and four civilian dispatchers divided into four squads. Each squad consists of a sergeant, a corporal, three patrol officers and a civilian dispatcher. The minimum staffing for a patrol squad is two officers and a sergeant on the street and an officer or civilian dispatcher in headquarters.

The number of calls for service in 1998 was 13,710. This number includes all actions an officer was dispatched to, as well as all actions originated by the officer in the field.

The patrol officers work 12 hour shifts starting at 6 a.m. and 6 p.m. with one officer starting one half hour early to cover the shift change. All the marked patrol cars are equipped with radar and Mobile Data Terminals (MDTs). The sergeant, or corporal, holds a short briefing and inspection of the squad and deploys the officers. The town is divided into two sectors, east and west. When additional officers are working, the third patrol officer is either assigned as a backup and floating between the sectors or assigned to bike patrol. If the squad is at minimum staffing, the sergeant is the backup unit. The squad has five marked cars available for patrol.

Schedule

Officers assigned to the patrol squads work two days on, two days off, three days on, two days off, two days on, three days off. The 12-hour shift cycle repeats every 14 days. This type of schedule results in 2,190-hours worked per year (averaging a 42-hour workweek). In order to equalize this schedule to match the 2,080 hours the rest of the department works, they are assigned 110 hours of compensatory time.

This schedule has been in place since May, 1997, and in June, 1998, the department evaluated the schedule. It was found that summonses for moving violations were down by 30%, but radar summonses were up 12%. Parking summonses were down 1% and overall summons were down 9% from the previous year. Adult arrests during this period rose 10% and juvenile arrests rose 45%. The combined arrests rose 21%. The time spent processing these arrests could be a factor for time available that could have caused the drop in summons activity.

An important aspect of the schedule change was the amount of overtime caused by manpower shortages. From May, 1996 to May, 1997 when there was an eight-hour schedule, the department expended 1,355.5 hours of overtime, which cost approximately \$52,864. From May, 1997 to May, 1998, the department expended 534.5 overtime hours valued at \$20,845. The difference of 821 hours is a 61% reduction, saving an estimated \$32,000.

The chief, captain, lieutenants and detectives work five on, two off, eight-hour shifts totaling 2,080 hours per year.

The department is commended for proactively monitoring and analyzing the impact of the schedule change.

Patrol Analysis

The department reported 13,710 calls for service. Using the capabilities of the department's Computer Aided Dispatch System (CAD), the actual, average, consumed time per call was calculated to be 21.29 minutes.

Officer availability is a factor in determining the staffing levels. Subtracting averages for scheduled time off, vacation, personal, sick, compensatory, training, holiday and other time from the total number of hours available, results in total availability of 1,619 hours per officer per year (see Appendix B for details).

The team used two methods for evaluating patrol staffing. One is based on the number of calls for service and the other is based on the minimum number of officers the department believes is appropriate for a shift.

The first method does not account for the impact of patrol supervisors, special assignments, detectives, DARE, and administrative services. This method takes the total patrol activities multiplied by the average consumed time, multiplied by a factor of three to account for preventive patrol, answering calls and administrative time; then divides that time by average officer availability. Based on the 1998 patrol workload, nine officers are required to provide appropriate patrol coverage. This is the minimum staffing and does not consider the supervisors on each squad/shift. We recommend one supervisor per squad/shift. Comparing this to the current staffing of twelve patrol officers, four corporals and four squad sergeants, the patrol squads are overstaffed by seven positions (see Appendix C for the calculations).

The second method is based on the number of sworn officers available for road patrol for each squad. The department has determined that two patrol officers and a sergeant are the minimum number required.

To calculate the total number of officers needed to provide the desired minimum, staffing is multiplied by the number of shifts, which is multiplied by the number of hours per shift, which is then multiplied by 365. This is then divided by officer availability. The result is 11 officers. This method does not include the supervisor. The team recommends one supervisor per squad. Thus the total number of sworn officers required is 15.

Both calculations indicate that the present staffing levels for the patrol function are more than adequate. Based on the workload analysis, patrol has enough time to assume responsibility for the DARE function, which is currently the responsibility of the juvenile officers. Minimum staffing for squad safety requires more officers than the workload currently would require. This is a situation in which consolidation with another department may be appropriate because the same minimum staffing would handle more calls for service.

Recommendation:

It is recommended that responsibility for DARE be transferred to the patrol function.

Corporals

The corporal rank is relatively new to the department. It was instituted June 1, 1998 by Personnel order #98-011. This order assigned seven officers to the rank of corporal. During various interviews, it was stated that the corporal rank is not a rank but an assignment. The rank was instituted to improve accountability and control when the squad sergeants are off. Before the corporals existed, the senior officer on the squad acted as Officer in Charge (OIC) in the sergeant's absence. The OIC was compensated with acting sergeant's pay after the third day of service. Acting sergeants pay was described as half the difference between the officer's and the sergeant's daily rate. The corporal's compensation was established at \$1,200 per (year included in the base pay). The officers were selected after submitting letters requesting consideration for the position. This was done during negotiations with the PBA, under the provision that the next sergeant's test would be open to all patrol officers and corporals. Despite the repeated assertion that the corporal was an assignment, not a rank, the documentation and implementation of the title indicate it is a rank. Specifically,

- Proposed rules and regulation #3.1 states "The order of rank in the uniformed force shall be chief, captain, lieutenant, sergeant, corporal, patrol officer."
- Proposed rules and regulation #4.5 lists corporal as a supervisor and clearly treats it as a rank in the chain of command.
- They are, and act as corporals, when the sergeant is present, rather than assuming the position when the sergeant is absent.
- They are compensated for the entire year, regardless of how often they serve in the sergeant's role.

The stated reason for the creation of this rank was to improve the supervision/accountability on the patrol squads. This would have resulted in four corporals. The department created seven. Having seven corporals skews the ratio of supervisors from 11 supervisors for 20 officers (1:1.82) to 18 supervisors for 13 officers (1:72). Appointing four patrol squad corporals would have resulted in 15 supervisors for 16 officers (1:1.07).

The current structure has a detective sergeant supervising two detective corporals (three supervisors with no subordinates 3:0 and a juvenile detective sergeant supervising a patrol officer in the juvenile bureau (1:1). The cost the corporal program is \$1,200 per year per corporal (\$8,400). The cost for the acting pay before this was \$6,578.

The proposed structure will have ten supervisors for 28.5 subordinates (1:2.85).

Recommendation:

It is recommended that the corporal rank be abolished and patrol officers be identified in each squad who will serve as OIC in the absence of the sergeant.

Potential Cost Savings: \$1,822

Alarms

The township has an aggressive policy toward false alarms. An ordinance was established in 1983 to combat the growing false alarm problem. In records that date back to 1980, the percentage of alarms that were false averaged 99.99%.

In 1983, the year the ordinance was enacted, there were 607 alarms registered within the township. These alarms generated 1,735 calls, which averages 2.9 calls per alarm. The following year, the ratio of calls per alarm dropped 30% to 1.9 calls per alarm. This has declined to a 1998 ratio of .9 alarms per system, which is 60% less. (Appendix D includes a graph and the data for this analysis.)

The total number of alarms registered in the township in 1998 was 1,587. The alarms generated 1,467 calls and they were all false. The department estimates that each call averages 30 minutes and has two officers responding, consuming 1,467 patrol hours valued at \$41,120 to investigate the false alarms. If the ratio were the pre-ordinance number, the 1,587 alarm systems would have generated 4,602 false alarms, which would have consumed 4,602 patrol hours valued at \$128,994.

In 1998, 1,587 registered alarms systems generated \$39,675 in fees. The registration fee was \$25. A total of 150 summonses were issued for alarm violations; 35 were for failure to register an alarm system and 115 were for false alarms. The amount of revenue generated by the summonses was not available.

The team commends the department for enforcement of the alarm ordinance that has resulted in a cost avoidance of \$87,874 and revenues of more than \$40,000.

Lock Out Service

This department assists residents in gaining entry to locked vehicles and buildings. During 1998, 321 lock out calls consumed 114 hours. The average length of each call was 21.29 minutes. The officers were able to gain entry to only 60% of vehicles and 30% of buildings. The newer cars are designed to defeat entry attempts using tools currently available to police officers. Also, the newer cars are equipped with electric locks, power windows, side airbags and other electronic controls that can be damaged. Officers are not given any formal training in the use of the tool. The public is required to sign damage waivers so that the township is not held liable for these damages, but damage occurs and cars are sometimes still locked. Unless there is an

extraordinary circumstance, e.g., a baby/child locked in a running car, a locksmith should be called to provide this service. A list of approved vendors should be available at the dispatch center and used along with a price list for service. A police officer can still be dispatched to stand by when safety is a concern.

Recommendation:

It is recommended that a written policy be established to direct callers to private locksmiths unless there is an emergent circumstance associated with it.

Productivity Enhancement: \$3,195

Bicycle Patrol Unit

The bicycle patrol unit functions as part of the patrol squads. Nine officers have received the four days of training required for a bike squad. Two patrol squads have two officers each and two patrol squads have one officer each. The three other officers are assigned to the detective bureau and administration. In 1998, the unit's third year, 450 hours were logged, averaging 50 hours per officer. Overtime hours constitute 129 of the 450 hours (29%) logged between June and August, 1998 and cost an estimated \$5,292.

The bike officer uses a marked 4-Wheel Drive Utility Vehicle (SUV) equipped with a bicycle rack to drive to an area and then operate the bicycle. This Expedition cost \$27,000 and during 10 months in 1998, it was only used 630 miles per month. The department uses bike patrol in the parks, the community pool complex and at ball games and concerts.

The squad sergeant has the option of deploying an officer on a bike only when the staffing of the squad is above two sworn officers available for the road. This currently does not happen often. The first choice of officers and supervisors when there is an extra officer is to use that officer in a car. It is not until there is a 4th officer that the bike patrol is used. The lack of mobility of a bike officer in a 16.25 square mile patrol area limits the officer's usefulness. If the bike officer is needed and he is a distance from the parked unit, the time involved to get back to the vehicle, rack up the bicycle and drive to where he is needed can be a problem.

There is no plan defining what this officer should accomplish on any given day. The day-to-day community policing function that the bike patrol is attempting can be served by other strategies such as a "park and walk" assignment. This directs officers to specific areas at specific times to park the patrol car and walk an area. The officer can do this with much more flexibility than changing into a bike uniform and deploying with a different vehicle. The need for flexibility within a small patrol squad (four or five officers) is important. Other issues, such as access into parks and towpaths that bicycles are best for, will be addressed elsewhere in this report.

Recommendations:

It is recommended that the use of bike patrol officers as part of the patrol squad be discontinued.

It is recommended that the bike patrol be used for specific special events where its mobility will enhance the police department's ability to address the needs of the event.

It is recommended that the more community oriented policing be accomplished through the use of park and walk assignments.

Uniforms

Article IX of the PBA contract requires the township to furnish, as needed, the standard police uniform including the gun and ammunition. In addition, the cost of dry cleaning police uniforms is borne by the township. Those members assigned to the position and duty of detective, juvenile officer and uniformed officer are entitled to receive an additional annual clothing allowance of \$750 per year.

Each year, a uniformed officer completes a uniform order form for a maximum of \$750. The department places the order and issues the items when they are received from the vendor. This process ensures that uniform items are purchased, but it does not require that a need for the uniform item be demonstrated. Of the \$31,760 spent for uniforms, \$25,420 was for police officers (averaging \$820 per officer.) Dry cleaning costs totaled \$3,253, averaging \$105. This totaled \$925 per officer, per year. The remaining \$6,340 was spent on the 17 school crossing guards and the four dispatchers. That averaged \$302 per person.

The Princeton Borough Police Department operates on a quartermaster system, issuing and replacing uniforms when needed. The average cost per year for a uniformed officer in the borough is \$355. The average cost for non-sworn positions in the borough is \$159.

Recommendation:

It is recommended that the department adopt a quartermaster system for issuance and replacement of uniforms.

Potential Cost Savings: \$14,628

Vacation schedule

The number of uniformed officers assigned to the patrol function on vacation at one time varied from none to eight per week during 1998. This is the result of allowing two patrol officers per squad off at a time. The second officer is on "stipulation," which allows this officer to be called in if a scheduled officer reports off duty. This is one of the reasons the squads are operating staffing levels at minimum manpower much of the time. Overtime caused by manpower shortages in 1998 was 700 hours, ranging from 16.5 to 128.5 per month (see Appendix E).

The vacation time can be distributed over the year so that a maximum of three patrol officers is on vacation each week. This should enable supervisors to plan special assignments without incurring OT costs.

Recommendation:

It is recommended that the vacation scheduling be revised so that the entire year is used for vacation, in order that an even amount of officers are off at one time and, thus, reduce the overtime used for manpower shortages by 50%.

Cost Savings: \$14,717

Emergency Response Team (ERT)

The department established an Emergency Response Team (ERT) five years ago. This was accomplished slowly, by officers using their own time and, in some cases, their own equipment, to get started. There was no order establishing this unit, policy for its use or procedures to follow that was available to the team for review. There was, however, an order temporarily disbanding the unit.

The team was made up of eight officers, a seven-officer entry team and a counter sniper officer. Thus, 26% of the 31-officer department was involved in this special effort. This type of squad must train as a unit to be effective. Two days per month is the accepted minimum training time. Most training was done on the officers' off-duty time and at their personal expense. One of the problems encountered by the team was scheduling all members to be available at the same time for unit training. This would cause some members to train while on duty or to pay overtime for replacement officers. The chief, in his 1998 order disbanding the team, cited budget and liability issues as reasons for his decision.

Disbanding the unit was the right decision for several reasons including: the lack of formal policies and procedures, the cost of training in both time and materials, the need to use a significant portion of the patrol staff for the unit, and the availability of the same resources through the county, state or federal agencies.

Recommendations:

It is recommended that the township rely on the county, state and federal teams for this type of support.

It is recommended that the department increase the tactical street training of the patrol force so that events requiring a specialized emergency response team can be safely stabilized and contained until a team can be brought to the scene. The increased training should be done at no additional cost, by redirecting the existing training time and budget to the tactical training required.

It is recommended that the weapons and equipment currently possessed by the department be deployed in a supervisor's vehicle so that it is quickly available to the patrol officers.

Princeton University Public Safety Department

The relationship between the university security force and the township police department works well from the chief's level to the patrol level. The university has 27 sworn officers (unarmed) and 30 security guards, plus additional 30 sworn officers at the Forrestal campus. The sworn

officers are Police Training Commission (PTC) certified. All arrests go to the borough or the township for processing and lock up. The crimes that occur are charged to the borough or township UCR numbers. There is a written policy agreement that the university security force takes all reports of minor offenses against property thefts under \$500. The reports are then dropped off at the borough or township headquarters and treated as if a township officer had taken them. If the crime warrants follow up, a detective is assigned to do it. The system appears to work well. In 1998, 11 reports were taken in this manner. The university should revisit the policy, increasing the threshold for reports taken by campus police. The township and the university can train officers, in order that the initial investigation can meet the needs of the borough police department so that the township police department can do follow up investigations.

Recommendation:

It is recommended that the threshold for report taking by the university police be revised to increase the number of reports handled by the university police in the same manner as recommended for the borough. This will not produce any significant productivity improvements, but it is appropriate for the policy to be consistent throughout the campus.

Mobile Command Post

The township, borough and university police departments have worked together to develop a mobile command post. This is based on a used trailer that was purchased by the township. The plans called for gutting the interior and building a command post that can support command and control functions at planned events in the three jurisdictions. It can also be used to support major fires, Haz-mat events, police crime scenes and searches. It will, in addition to the radio and communications capability, have areas for planning and staging emergency personnel and an on-board power supply. The projected cost will be \$30,000, split equally by the three departments. A new, self-propelled vehicle with this capability generally costs approximately \$70,000.

The three departments are commended for developing a low cost alternative and sharing the cost three ways, each saving at least \$60,000.

ADMINISTRATIVE BRANCH

A lieutenant commands this function and is responsible for the fleet, communications and computers, traffic bureau, detective and juvenile bureaus, record keeping for alarms, warrants and a host of other administrative matters.

Fleet

The vehicles available to the department include:

- five marked cars;
- two marked 4-wheel drive utility vehicles;
- one marked prisoner transport van;
- seven unmarked cars; and
- one traffic trailer.

All vehicles appear to be properly maintained. The department demonstrates a commitment to holding officers accountable for the proper operation of vehicles. The squad sergeant verified the condition of the vehicles when they were issued and inspected by the officers. The lieutenant actively monitors the condition of the fleet and the maintenance that is provided by the Department of Public Works (DPW). Vehicle maintenance costs and fuel costs are reflected in the DPW budget.

The number of vehicles is sufficient to support this operation. There was a question regarding the purchase of a van in April, 1999. It is equipped with a cage insert to transport prisoners. The van cost approximately \$32,000 (\$25,000 for the van, \$7,000 for the cage insert). The department could only document 13 prisoners that were transported to the county jail during 1998. Transporting prisoners can be done using a marked car that is equipped with a cage. The department can exchange this van for a marked car to be used in the traffic/quality of life bureau. The 1998 4WD SUV reserved for the bicycle transport should be assigned to the traffic/quality of life bureau. The department should obtain two police motorcycles to be assigned to the traffic/quality of life bureau. The contract to purchase should include a provision for trading the vehicles in after two years, at no cost to the township. The cost per motorcycle is \$14,000. The team believes the township already exhibits the management controls and training orientation that are critical to the effective and safe use of motorcycles for traffic and quality of life policing.

Recommendations:

It is recommended that the department dispose of the transport van in accordance with local public contract laws and replace it with a marked car, to be used in the proposed traffic/quality of life unit.

It is recommended that the SUV currently used for bike patrol be moved to the proposed traffic/quality of life unit.

It is recommended that the department purchase two motorcycles for use by the proposed traffic/quality of life unit.

One-time Value Added Expense: \$28,000

Communications and Computers

A corporal serving as the communications officer staffs this section. The communications officer's responsibilities include overseeing the radio/dispatch center and computers.

The dispatch center serves as a call taker/dispatch center and reception for walk-in contact. All routine telephone calls to the police are answered and transferred by a call taker. The department handles its own 911 calls and the borough police serve as the secondary Public Safety Answering Point (PSAP). The center has two police channels, a fire and EMS channel, two State Police Emergency Network (SPEN) channels and an emergency management channel.

The dispatchers dispatched 13,720 calls for service but the number of telephone calls answered is not recorded. The dispatch center also handles all fire and EMS calls for the township. The

department employs four full-time dispatchers and three per diem dispatchers that are used to fill in for planned absences, such as vacations. They are paid \$13 per hour with no benefits.

Each squad has one assigned dispatcher. The primary supervisor for the dispatcher is the squad sergeant. The communications officer makes the administrative decisions, develops policies and procedures, and coordinates maintenance with a contract vendor. The 1998 maintenance contract cost for the radio system was \$6,918. This included the radio portion of the MDT system, sirens and light bars. An additional \$745 for repairs not covered by the contract brought the 1998 total to \$7,633.

There was a common complaint among officers on the street, and acknowledged by the communications officer and the administrators, that there are areas within the township where the radios do not work. Correction of this situation should be of the highest priority. The vendor has been working on this issue over the past year; it is evident that although the equipment maintenance is good, the vendor does not seem to have the ability to address this issue.

Recommendation:

It is recommended that the department identify a contractor capable of resolving the issue of dead spots.

The call taker/dispatcher workload can, at times, be overwhelming for one person. A case can be made for an additional person to work Monday through Friday from 10:00 a.m. to 6:00 p.m. to assist in handling telephone calls and citizens who walk into the building. Special events that take place in the township, the borough, or university can create a tremendous number of telephone inquiries for directions and other event questions. Calls for directions on a "normal" day range between 40 and 50. In order to deal with these duties which divert the dispatchers from their main responsibility, the department should explore the option of transferring these calls into an automated system that can give standardized directions and event information. This system can also be used for emergency weather closings and other public safety announcements.

Recommendations:

It is recommended that an automated message system be installed to relieve some of the call taker workload.

Cost Avoidance: \$27,918 (Additional dispatcher)

It is recommended that the corporal be reassigned and the administrative lieutenant assume the communications administration duties.

The information systems duties of the corporal take up 50% of his time. This officer is extremely qualified to manage the computer assets of the department. He is responsible for systems administration of the PC based LAN, the CAD, the record management system and the MDT system.

The department is changing its method of communicating to its MDTs from a Radio Frequency (RF) system to a cellular network that is provided by the cell phone industry. This change will cost \$15,000 initially and \$2,000 per year to maintain. A \$50 per month per MDT charge will provide unlimited time on the system. The advantage of this system over the RF system is the ability of the cell system to use high-speed data transmission and avoid the dead spots issue. The contract carrier can be selected by bid/price quote because all of the hardware for this change is common to the entire industry.

The department has an excellent software package for scheduling officers, tracking time off and doing payroll tracking and time sheets.

The systems administrator maintains the Unix based CAD system. The system is nine years old and the maintenance contract was up to \$15,000 per year three years ago. The department uses a time and materials cost when the repair is beyond the ability of the department. The current CAD, and the replacement system being considered, both have the capability to dispatch fire calls with a protocol with hydrant locations and Haz-Mat information if the fire department chose to use it. The new CAD system will cost \$134,000 and will increase the MDT capacity to enable the MDT screen in the car to access the CAD screen and 911 information directly.

This officer designed and prepared specifications for the wiring of the computers, video, audio security, and telephones in the new police building.

The officer also provides reports for lawyers concerning searches of the police data record. The department/township should develop a policy that charges a fee for this service. It can be based on the overtime rate for the officer and a fee for the computer time. These fees will generate funds to cover the cost to provide the service.

The team recognizes the ability of the officer, not only to maintain the radio and computer systems but, also, to provide service and expertise to the department and the township that is beyond what can be expected from the average police officer. The problem the team has with this is that in a department with 31 sworn positions, having one of them dedicated to computers and radios is not in the best interest of the department. The position constitutes 3% of the total sworn officers and 5% of the 20 officers under the rank of sergeant. None of the radio/computer duties described for this corporal need to be done by a sworn officer.

Recommendation:

It is recommended that this officer be reassigned to police duties and have the township hire a computer person to take over the computer responsibilities. The administrative lieutenant can assume the radio duties.

Productivity Enhancement: \$61,763

Traffic Safety

In a town where traffic is one of the main quality of life issues, the department has one person, a sergeant, assigned to this unit. His hours of duty are 8:00 a.m. to 4:00 p.m. Monday through

Friday, except for Tuesday when he serves as court officer and works from 2:00 p.m. to 10:00 p.m. His responsibilities include the following:

- supervising 17 school-crossing guards;
- reviewing and correcting all crash reports;
- entering data from crash reports into a computer and analyzing the results;
- providing radar training and re-certifications;
- providing discovery for DWI and all traffic cases;
- supporting the township traffic engineer;
- deploying the speed display trailer; and
- serving as the court officer for traffic court.

The sergeant assigned to this position is tasked with a variety of duties that can, and should be done by others. A review of each follows:

School Crossing Guards: The department employs 17 guards for 17 posts. The salaries and other costs in 1998 were \$50,083. Additional costs include equipment and uniforms \$2,500; training \$3,768; supervision \$11,520; and the cost of officers to replace absent guards \$6,909. The total cost for this operation was \$74,780. This cost does not include times when officers and superior officers, up to and including the chief, were assigned to cover the posts. During 1998, the department documented 493 times officers were required to cover school posts.

The majority of the crossing guards live out of town, earn \$20 per day and do not qualify for benefits.

The traffic sergeant is the direct supervisor. He checks the locations twice a day to ensure that they are being covered. He also receives calls from the guards when they are absent and must arrange for coverage. Of the 17 posts, seven are located adjacent to five schools. Of the 17 guards, four are employed by the recreation commission and arrange to cover the posts in addition to the normal working hours. The board of education should be polled to see if any employees could be assigned this duty for the seven crossing posts adjacent to the schools. They can be compensated in a manner similar to the recreation employees. This should mitigate the attendance issue.

This duty dictates the hours the sergeant works and prevents the sergeant from performing any other duties during that time.

The department has attempted to privatize this duty in the past and was not successful. It has sample bid specifications and will again solicit bids for this service. The team has determined that even combining the crossing function with the borough, it would cost around \$60,000 more to privatize than current costs.

Recommendations:

It is recommended that, with the approval of the board of education, the seven posts near the schools be assigned to support staff from the school. This would only require six posts to be covered by people from outside the school system.

It is recommended that one additional crossing guard be hired and designated supervisor to be tasked with ensuring that the posts are covered and being available to cover a post when needed. This person can be paid for two hours a day to allow for administrative duties. This will free the sergeant to do police duties.

Cost Savings: \$4,320 (net)

Review and Correct All Accident Reports: The squad supervisor checks all accident reports generated within his squad. The traffic sergeant then rechecks them. If errors are discovered, that report is then returned to the officer to be corrected. This is a time consuming process which should be eliminated and replaced with spot-checking by the sergeant. If the supervisor who signs off on these reports fails to find errors, the report should go back to the supervisor. The supervisor should be offered training not only to correct his performance, but also to enable the squad sergeant to correct the officer doing the initial report.

Recommendation:

It is recommended that the traffic sergeant spot check reports.

Enter Data from Reports: During the review of reports, the sergeant enters data into a computer. This enables the sergeant to issue detailed breakdowns of accidents by location, day of week, time of day and many other criteria.

Recommendation:

It is recommended that this responsibility be turned over to the support staff with proper training.

Discovery: The sergeant retrieves from the record bureau copies of documents required to satisfy discovery orders for court. This is very time consuming and can be done by the support staff, with the proper direction and supervision of the municipal prosecutor.

Recommendation:

It is recommended that the support staff be trained to undertake this task.

Support the Township Engineer: The most time-consuming duties of this sergeant are in response to the township engineer. The sergeant's engineering related responsibilities include:

- **Traffic surveys**, which involve setting up traffic counters and then analyzing the data. The time required to do this average four hours per survey, for about 18 surveys per year.

- **Research accident histories**, requiring going back through five to ten years of reports of accidents on the road in question. The reports are analyzed for pertinent information, which must be presented in some useful format. This averages four hours per request.
- **Pre-construction meetings and neighborhood pre-construction meetings**, involving two neighborhood meetings for every pre-construction meeting. They last from one to two hours each.
- **Traffic safety meetings**, averaging two to three hours weekly.
- **Sight distance surveys**, which are done whenever someone wants to put up a fence on a corner. This takes about two hours for each survey.
- **Research for speed limit reduction requests**, which come from citizens through the traffic safety committee meetings. This entails a great deal of time contacting the complainant, doing traffic counts, speed surveys, and accident histories. After the data is developed, the sergeant must present it to the committee, which then makes a decision and directs the sergeant to send letters to those involved.

While the police department must support the township with expertise found within the department, uniformed officers should not be used to perform tasks that civilians within the township can do. Setting up and maintaining traffic counters, researching speed reductions and accident histories and taking sight distance surveys are tasks that should be done either in the engineering office or by the support staff of the police department.

Police participation at traffic safety meetings and pre-construction meetings should continue, but only when police input would affect the project. Police should not be tasked to do clerical research or to generate letters that can be done within the engineering department.

Recommendation:

It is recommended that the police chief, along with the township engineer and the business administrator, redefine the traffic related responsibilities of uniformed police staff to assure that their duties are limited to only those requiring their police expertise and training.

The sergeant demonstrates in the annual report, the ability to provide the department with a detailed breakdown of accident and enforcement action data. This can be used to develop an enforcement plan designed to reduce the number of accidents and other traffic related complaints within the township.

The speed display trailer is equipped with radar and a large speed display. It is deployed, unattended, along a road to show motorists how fast they are traveling. This is usually put in neighborhoods when speed complaints are raised. The department has a 4wd Suburban assigned to traffic that is equipped with a tow hitch that pulls the trailer. The other 4wd vehicle also has a hitch. Currently, because of the sergeant's schedule and non-police duties, the trailer is not used as much as it should be used. The department should use this valuable tool daily as part of a traffic enforcement strategy throughout the community. Having the patrol squad officers trained

in the deployment can enable them to move the unit around during times and days that the traffic sergeant is not available. The traffic sergeant should identify all locations.

Recommendation:

It is recommended that patrol officers be trained in the deployment of the speed display trailer, in order to use it more frequently and effectively.

In a town such as Princeton, the traffic safety function should include proactive enforcement and accident prevention. To accomplish this, it is recommended that three additional officers be assigned and the traffic sergeant duties be redefined. This will enable the sergeant to direct the three officers working for him to follow strategies to relieve traffic complaints and address quality of life issues including the following:

- speeding complaints;
- traffic congestion;
- truck traffic complaints;
- youth problems;
- noise complaints;
- littering;
- crime prevention programs;
- neighborhood code enforcement; and
- conducting accident investigations.

This will also make it possible for the sergeant to ensure that the patrol squads are aware of problems and are included in the plans to solve them. In turn, the unit can be used to target areas that exhibit quality of life problems as identified by the patrol squads.

The type of equipment proposed to do this will include motorcycles that enable the officer to have the flexibility to have contact with the community without the barrier of the patrol cars and the ability to re-deploy quickly when needed. The motorcycle also is an effective tool for motor vehicle enforcement. Motorcycles have the ability to enter areas that patrol cars cannot, such as, parks and tow paths.

Recommendation:

It is recommended that the traffic safety function be expanded to enforcement and accident prevention. To accomplish this, it is recommended that three additional officers be assigned and that the traffic sergeant duties be redefined.

Productivity Enhancement: \$72,514

Detective Bureau

A detective sergeant commands this bureau. Two detective corporals staff it. They provide coverage Monday through Friday from 9:00 a.m. to 10:00 p.m. They have an on call schedule

for when they are not on duty. The sergeant screens all reports generated by the patrol officers and assigns cases to the detectives. The detectives are trained to process their own crime scenes and the State Police are used for situations that are more complex. The sergeant acts in a supervisory role and is in charge of the UCR reporting. Vacations, training days and other time off are scheduled to assure that at least one detective is available on days and one on nights.

The department reported a drop in crime last year of 19%. Each detective carries about 75 to 80 cases per year. Workload figures for detectives are very subjective. The type of crime and the solvability factors present are factors the screening detective sergeant uses to determine if the crime should be investigated and how much time should be spent trying to close the case. The police chief and the detective sergeant establish the policy, setting the parameters for how much effort is directed to case follow up.

Five comparable towns were surveyed in order to compare the number of detectives assigned and the rank structure for similar departments. The results were:

- The total number of detectives was evenly split at four or five but all reported that the supervisors carry cases. (The Princeton Township detective sergeant normally does not.)
- The crimes per detective ranged from 79 in Bernards Township to 44 in Princeton Township. The average was 63.
- Uniformed officers per detective ranged from six to eight. Princeton and Plainsboro both had six, the others had eight.

Departments surveyed split on the issue of separate juvenile bureaus; the comparisons included all detectives within the departments. (This information is provided in Appendix A.)

Based on this information, the current number of detectives could be reduced to three. This would result in the number of crimes per detective averaging 73, which is closer to the average and median of the comparison departments and is about one half the cases per detective in Princeton Borough, which is 152.

Recommendations:

It is recommended that the juvenile and detective bureaus be merged and staffing reduced to consist of one detective sergeant and two detectives. Retaining the juvenile sergeant as the officer in charge of the detective bureau will serve to retain his juvenile expertise in the bureau. Under this structure it is imperative that the sergeant also carry a caseload. The two cut positions should be reassigned to the expanded traffic/quality of life unit.

Reassign two detectives to the traffic/quality of life unit.

Juvenile Bureau

The juvenile bureau is commanded by a detective sergeant and is staffed by a patrol officer, who acts as the DARE officer but, also, carries a full caseload of investigations. The stated goal of

the juvenile bureau is to identify the juvenile problems and assist the families in getting the juveniles back on track through education, referrals and/or adjudication.

The juvenile bureau investigates all crimes where juveniles are involved as, either suspects, or victims. They also are the principal investigators for sexual assaults. During 1998, the bureau reported 120 arrests of juveniles that committed 180 offenses. This shows an aggressive posture of reacting to crimes committed by juveniles, while also dedicating a great deal of time and effort to community involvement to keep juveniles from entering the criminal justice system.

The sergeant coordinates the DARE program, adopt-a-cop and the crime prevention program. The DARE program is offered to eight classes, in three schools, for a modified 10-week session. The sergeant and detective work with the borough police to coordinate coverage. There are four instructors; three are assigned to detective and juvenile bureaus and the communications officer. The detectives are among the officers assigned to the adopt-a-cop program and a school-mentoring program.

The DARE program can be coordinated by the juvenile detective sergeant, but the instructors should be taken from the uniformed patrol. There are several reasons for this. The scheduling of class times for DARE instruction must be coordinated with the schools so that the classroom teachers can work around the DARE class. This then becomes a block of time not easily changed. A detective's regular workload is such that continuity is important. The nature of uniform patrol work is such that the calls for service are usually less time consuming and a patrol officer can call out of service and teach a class, then call back into service, and be dispatched to the next call. The workload analysis indicates that the current staffing in patrol is sufficient to allow for this additional work. Another reason for this change is that DARE officers, taken from patrol, are able to establish contacts with the students which the patrol officers can use when they encounter these juveniles on the street.

Recommendation:

It is recommended that the crime prevention program be reassigned to the traffic/quality of life unit.

The evidence function is assigned to the detective sergeant. All detectives and four patrol officers have been trained to process crime scenes and collect evidence. The department needs to purge its evidence storage before it is moved into its new building.

Recommendation:

It is recommended that the DARE program continue to be coordinated by the juvenile detective sergeant, but the instructors be taken from the uniformed patrol.

On Mondays and Thursdays from 2:00 p.m. to 4:00 p.m. a detective must be available for civilian fingerprinting.

Recommendation:

It is recommended that the support staff be trained to take fingerprints from civilians.

Productivity Enhancement: \$6,406

A problem expressed by most interviewees was the lack of available vehicles. There are currently three unmarked cars assigned to the detective and juvenile bureaus and the communications officer. One of these cars is used when officers must travel for training. This results in a constant search for cars and officers having to wait for transportation.

Recommendation:

If the staffing remains the same, it is recommended that the vehicles currently assigned to the captain and two lieutenants be assigned, along with the three other unmarked cars, to be pool cars, to be used as needed. If the staff reductions that the team recommends are put into place, the three cars would be adequate to support the bureau.

Training

The captain schedules the training. The department reported that officers and dispatchers consumed 4,571 training hours, attending 69 schools in 1998. Firearm qualification takes place at a range shared with the borough police department. The cost of this range is shared and the range is being improved with the addition of a building that serves as a classroom. The method for sharing these expenses is by agreement between the chiefs of the departments. Firearms training is an area that is often neglected and confused with the firearm qualifications required by the attorney general's office.

Offering additional tactical street training can compensate for the recent suspension of the emergency response team.

Recommendation:

It is recommended that the entire department be trained so the first police responders to an event, which may lead to deployment of an emergency response team, can contain and stabilize the scene until the appropriate force can be assembled. This should not incur any additional cost. Equipment is available and the training budget will allow for the training by redirecting the types of schools attended until all officers are trained for these tactics.

SUPPORT STAFF

The supervisor of the support staff also serves as executive assistant to the chief. There are two full-time and one part-time secretary under her supervision. In addition to providing secretarial support for the entire department, they:

- prepare and monitor the department budget;

- manage purchasing, secure price quotes and prepare requisitions and supporting documents;
- track and file warrants;
- prepare discovery cases;
- enter traffic accident data and summonses activity;
- function as the record room providing copies of reports for the public;
- maintain alarm records;
- maintain department inventory;
- process fire reports for the fire department and the township fire official;
- prepare the school crossing guard payroll; and
- type fingerprint cards.

Recommendation:

It is recommended that the clerical support staff accept additional data entry duties from the traffic officer, be trained to take fingerprints for civilian permit applications and prepare all traffic and DWI discovery cases.

Police Chaplain

The chief of the department has used a volunteer police chaplain since 1993. The current chaplain began his work in September, 1997. This is a highly motivated individual who has taken on this duty, in addition to his duties as senior pastor of a church in Princeton. The initial estimate of the time required for the chaplain to devote to the department was three hours per week. The average time spent with the department in 1998 was seven to eight hours per week. This time was spent:

- providing assistance with incidents that occurred in the line of duty;
- addressing issues related to job stress;
- addressing issues related to personal, family and spiritual needs;
- training with the department for first aid and CPR, firearms, ERT, FATS and two conferences for International Conference of Police Chaplains (ICPC);
- visiting the station;
- performing ride-alongs with 20 different officers;
- publishing a quarterly newsletter featuring commentary and affirmation about matters of policing, (the goal of this is to promote understanding, discussion and respect among all members of the department); and
- establishing a resource list so that referrals could be made depending on the need of the officer.

The chief is commended for reaching out to the community for a valuable resource that can fill the need for this type of employee assistance program at no cost. The chaplain is commended for the valuable assistance he offers to the department. The team cannot place a value on the 400 hours per year this individual gives to the men and women of the department.

PROPOSED ORGANIZATION

The organizational changes recommended throughout the report are summarized below and illustrated in Appendix F. The recommendations follow the application of basic organizational principles, such as organizing by function, ensuring unity of command, delineating responsibility, and delegating authority.

Princeton Township				
	Current		Proposed	
Position	#	Total Cost	#	Total Cost
Chief	1	\$122,584	1	\$122,584
Captain	1	\$110,329	1	\$110,329
Lieutenant	2	\$209,946	2	\$209,946
Sergeant	5	\$444,218	5	\$444,218
Detective Sergeant	2	\$179,365	1	\$90,366
Detective Corporal	2	\$164,898	0	\$0
Corporal	5	\$394,234	0	\$0
Detective	0	\$0	2	\$162,498
Officer	13	\$964,375	19	\$1,352,609
Dispatcher	4	\$140,545	4	\$140,545
# Sworn	31	\$2,730,494	31	\$2,633,095

The most significant change recommended is the reduction in the detective bureau and its movement into the operations branch. The traffic section will expand to include quality of life complaints and be staffed with three patrol officers commanded by the sergeant and included in the operations branch. The operations branch will now be commanded by the captain who, in addition to being second in command of the department, will be the direct supervisor of the operations branch. The captain will have a lieutenant as his executive officer to help manage and direct the 27 officers that comprise the operations section. The executive officer will also be the internal affairs officer.

A lieutenant will command the administrative branch. He will be responsible for the operation of the record bureau and its 2.5 clerks. He will also be responsible for training, communications, fleet management, purchasing and planning, and budgets.

Recommendation:

It is recommended that Princeton Township adopt the above outlined table of organization in order to increase the responsiveness and cost effectiveness of the organization.

Net Cost Savings: \$97,399

CONSOLIDATED POLICE DEPARTMENT

Identifying additional functions appropriate for merger/consolidation between Princeton Borough and Princeton Township was one of the goals of the LGBR review. For this reason, after

completing individual reviews of each police department, the team developed a proposal for a consolidated police department in order to identify cost and service impacts.

As a result of the analysis, LGBR recommends merging the two police departments. This recommendation is not made lightly and is based on the conclusion that considerable savings can be achieved for both communities while delivering the same or a higher quality of service. The proposed department will have 15 fewer sworn positions and three fewer dispatchers. Savings to be achieved from the staffing changes recommended total \$1,643,565 over and above savings identified in the individual police departments. These savings could be shared based on population served. The savings to the township would amount to more than \$936,832.

In 1996, a consultant was retained to study the impact/feasibility of merging several departments including the police department as part of the preparation for the vote on consolidation that was defeated. The LGBR analysis of merging the police departments follows the format of the earlier report in order to highlight the changes that have occurred in the three years since its publication and the impact that the current LGBR recommendations to the separate departments have on the consolidated department.

There is clear legislative authority for consolidation of municipal police departments. Such a consolidation can be accomplished through several mechanisms that are described in Appendix G.

Elected officials expressed concern that a united police department could not respond effectively to two communities. The actual negotiated agreement between the two communities should be used to address any specific service level and control concerns. The configuration could either be through a joint meeting that would have a unified mechanism for control or through one community contracting for police services with the other.

The consolidated police department would result in 15 fewer uniformed officers (see Appendix H for a comparison of the current configuration to the proposed organization). This raises public concern because of what it may mean for police service and because employees of the community will lose their jobs. The plan offered would result in there being as many, if not more, police officers on the street at a given time.

The staff reduction could be accomplished through attrition or layoffs or a combination of the two. Layoff would accomplish the savings within the first year of implementation. If the less drastic and certainly more politically palatable attrition option were chosen, the reduction could be accomplished completely by April 1, 2005 if the eligible officers chose to retire. If the staffing reorganization were implemented effective January 1, 2001, seven officers would be eligible for retirement. Another two officers would be eligible for retirement during 2001, two more could retire in 2003 and six would be eligible to retire by April 1, 2005.

There are grants available from the New Jersey Department of Community Affairs (DCA) to perform feasibility studies for consolidated services. There are also other funding programs

available to support a shared service program from DCA called Regional Efficiency Aid Program (REAP) and Regional Efficiency Development Incentive Act (REDI).

Background

The consultant's report prepared as part of the consolidation initiative identified similarities that remain true today. They are:

- similar sized populations;
- overlapping geographic areas; and
- identical guidelines from the attorney general's office and county prosecutor's office.

The level of cooperation between departments is still extensive, although, some changes have occurred since the 1996 report. The areas of cooperation and their current status are:

1. Sharing Mobile Data Terminal capability, allowing communications between department, vehicles is no longer possible.
2. The common radio frequency no longer exists but is not needed, as the consolidated department will operate off one of the existing radio systems.
3. Detectives do not meet on a formal monthly basis although they still communicate when needed.
4. The DARE program is still shared.
5. The departments share the same P.B.A. local and many contract provisions are common to both departments.
6. They still enjoy a close relationship with the joint Princeton Fire Department and joint Princeton First Aid Squad.
7. They still share the Firearms Training Range and the contract for Firearms Training Systems (FATS).
8. The patrol squads frequently back each other up on traffic stops or other calls.
9. The chiefs still belong to the same county and state organizations.
10. The departments still operate, as do all departments in the county, under the same county and state guidelines.
11. Both departments have organizational charts that are similar, although the staffing levels have changed since the consultant's report. The recommendations that the team has put forward would have departments with one chief, one captain, two lieutenants, and six sergeants. One department has three detectives and the other has five. Both have 16 patrol officers assigned to patrol squads and three patrol officers assigned to either traffic/quality of life or safe neighborhood unit.
12. One department has 31 sworn officers and the other has 34. One department has five and the other four civilian dispatchers. One department has 3.5 and the other has three support staff.
13. Both have the same minimum staffing requirement for patrol (two).
14. Both departments have similar sized fleets.
15. Both operate bicycle squads although they do not operate with the same effectiveness.
16. The chiefs do communicate when required along with the chief of the university security force.

It is still apparent that the two departments are comparable in size and similar in operation. The borough department is now operating out of a remodeled building and the township department is breaking ground for its new headquarters. The recommended consolidated department could work out of either facility with some modifications.

Staffing Levels

The consolidated department, while reducing the number of police officers, would deliver the same level service to the communities. The consolidated department would have one chief, one captain and two lieutenants. This would make up the upper echelon of the command staff and the administrative functions. The team feels that the duties of a 30-person or 50-person department require the same number of command personnel. The number of patrol officers to be supervised and their deployment determine the number of first line supervisors (sergeants). See Appendix I for the organization of the consolidated department.

Officer availability is a factor in determining the staffing levels. Subtracting averages for scheduled time off, vacation, personal, sick, compensatory, training, holiday and other time from the total number of hours available results in total hours available per officer.

The average availability per officer per year was 1,663 hours for the borough and 1,619 hours for the township. The difference in these numbers is caused by the high number of hours devoted to training in the township (130 hours per officer in 1998). Allocating 80 hours for training for all officers would have no negative impact and result in an officer availability of 1,670 hours.

Another difference between the two departments that affects the calculation is the consumed time for the calls for service. The township had an actual amount of time based on the information obtained from its Computer Aided Dispatch System (CAD). The actual consumed time for the township was 21.29 minutes per call. The borough CAD system could not generate this number so an average of 43 minutes per call was used. The average of these numbers results in an average consumed time of 32.15 minutes per call. Total calls for service for the combined department would be 26,615.

The team used two methods for evaluating patrol staffing. One is based on the number of calls for service and the other is based on the minimum number of officers the department feels safe deploying for a shift (see Appendix J for the calculations).

The first method multiplies total patrol activities by average consumed time, which is then multiplied by a factor of three to account for preventive patrol, answering calls and administrative time. This number is then divided by average officer availability. Based on this formula, the consolidated department would require 26 patrol officers to meet the patrol staffing needs. This is the minimum staffing and does not consider the supervisors on each shift. The team recommends one supervisor per shift.

The second method is based on the number of sworn officers available for road patrol for each squad. Both departments had determined that two officers and a supervisor are needed to safely

and effectively deploy the squad. Thus, separately, two officers are the minimum staffing required per department. The minimum staffing for the consolidated department would be four officers.

To calculate the minimum number of patrol officers, the number of officers per day is multiplied by the number of shifts, times the number of hours per shift, which is then multiplied by 365. This number is then divided by officer availability and the result is 21 officers. The team recommends one supervisor per shift.

Based on the information provided through the two calculations, the staffing level for the patrol function should be 26 patrol officers and four sergeants.

Assigning 26 officers to the four patrol squads is somewhat difficult because the squads cannot have equal numbers of officers assigned. The team recommends that each squad have six officers and that the two remaining officers be assigned to work as needed and, primarily, on the night shifts to bring those shifts up to strength when there are fewer officers available. The day shifts will have the traffic/SNU units deployed during days and early evening to answer calls if needed.

Detective Bureau

Workload figures for detectives are very subjective. The type of crime and the solvability are factors the detective sergeant uses to determine if the crime is assigned to a detective for a follow up investigation. The chief of the department and the detective sergeant establish parameters for how much effort is directed to case follow up.

Similar departments were surveyed in an effort to determine the typical workload of other departments with comparable demographics. The comparison is based on the crime index numbers published in the Uniform Crime Report (UCR) and the number of detectives assigned in the departments. Dividing the crime index by the number of detectives produces a ratio of crimes per detective reported to the UCR. The team recognizes that detectives are often assigned duties other than crime investigation, such as background investigations for permit applications, employment and fingerprinting. Since all detectives do this to some degree, it does not affect the comparison. With five detectives, (one detective sergeant and four detectives) the borough carried a ratio of 122 crimes per detective. With the recommended three detectives (one detective sergeant and two detectives) the township would have a ratio of 73 crimes per detective. It is recommended that the consolidated detective bureau remain at seven detectives plus a detective sergeant. The detective sergeant can command this and two of the detectives would be dedicated to juvenile investigation. This would result in a ratio of 103 crimes per detective.

Special Assignments

While reviewing both departments, the team found that the borough had a very effective Safe Neighborhood Unit (SNU) that consisted of four officers and a sergeant. They handled various “community policing” duties. They used bicycles, patrol cars, and walked, depending on the assignment. The township used bicycle officers as a part of its patrol squad with limited

effectiveness. The team's recommendations for the township allowed the reassignment of personnel to a traffic/quality of life unit that consisted of a sergeant and three officers to address traffic enforcement and quality of life issues, including the "community policing" functions. The team recommends that these units be retained in the consolidated department and scheduled to work covering the day to early evening hours. They can then also be used, when needed, to support the patrol squads. They can use bicycles, motorcycles, three wheel scooters, cars, and foot patrol, depending on the assignment.

Dispatch

During the 1996 report, the dispatchers worked an eight-hour shift and the report recommended the eight dispatchers be retained. Since then, the dispatchers in both departments have changed to 12-hour shifts and are assigned to patrol squads so they work with the same officers all year. This has worked well for both departments. Both departments expressed the need for an additional dispatcher to work Monday through Friday to assist with daytime phone and walk-in traffic. The borough has hired a fifth dispatcher to fill this role, so the total number of civilian dispatchers for the two departments is now nine.

The recommendations offered in the reports for each department that would direct calls for directions and event information into an automated system and the use of MDTs will decrease the demands for call taker and dispatcher time. As a result, the recommended staffing is one dispatcher per patrol squad 12-hour shifts and two dispatchers that work eight-hour shifts Monday through Friday to cover the hours of 8:00 a.m. to 4:00 p.m. and 4:00 p.m. to 12 midnight. Thus, a total of six dispatchers is required. One of these dispatchers can be assigned as the supervisor for all dispatchers. Vacation and other scheduled time off can be covered by per diem dispatchers.

Support Staff

Currently, one department has one executive assistant acting as the chief's secretary and 2.5 clerks. The other department has a secretary for the chief and two clerks. All of these people are very capable of doing all of the tasks presently assigned and are cross-trained so they can fill in where needed. This pool of civilians should be retained and used to assume additional duties that are now being performed by sworn officers, such as, fingerprinting civilians and preparing cases for court.

Other Issues

Vehicles: By merging the two fleets, the number of marked vehicles should remain the same. This will allow for the increased number of officers that could be on duty at one time from the SNU, traffic and patrol squads. The number of unmarked cars can be reduced by two from command and administration.

POLICE DEPARTMENT VEHICLES

Type	Borough	Township	Combined	<i>Consolidated</i>
Patrol Marked	5	5	10	10
4WD Marked	3	2	5	5
Chief	1	1	2	1

Command/Administration	1	3	4	3
Bureau Unmarked	2	2	4	4
Spare/School Unmarked	1	1	2	2
Motorcycles	0	2	2	2
Three-Wheel Scooter	2	0	2	2
TOTAL	15	16	31	29

Emergency Management: Emergency management in a consolidated department would eliminate the duplication that now exists and would be more effective in creating better coordinated use of resources to provide prolonged 24 hour coverage during an emergency.

DARE: This program would remain as it is now. The only savings would accrue from eliminating one person's administrative tasks.

Radio Frequencies: The consolidation would produce a surplus frequency that could be used either in the police department or elsewhere in the town or borough.

Communications/Dispatch: Consolidation would eliminate one CAD system, one radio system, one recording system and the related maintenance costs.

Training and Administration: The consolidation would have one lieutenant assigned to these tasks and would eliminate duplication.

Other Expense Savings

Uniforms: If the borough quartermaster system is used, a saving of \$465 per township officer will accrue. The consolidated department would have 17 more officers than the borough for uniform savings of \$465 per officer and would have 14 less sworn positions than the combined departments for savings of \$820 per position.

Cost Savings: \$19,385

Vehicles: If the consolidated department keeps the two excess unmarked cars and uses these cars to defer the purchase of two new cars, they would save \$50,000 and reduce maintenance costs by two fewer vehicles.

One-time Cost Savings: \$50,000

Cost Savings: \$6,030

Computers: Consolidation would eliminate planned upgrade of the borough CAD system. Computer maintenance and related expenses would be reduced.

One-time Cost Savings: \$30,000

Recommendation:

It is recommended that the borough and township consolidate their police departments.

Cost Savings: \$1,643,565
Borough Savings: \$706,733
Township Savings: \$936,832

COURT

While the team recognizes the separate authority and responsibility of the judicial branch of government, the following comments and recommendations have been made in an effort to provide the community with information on current and potential operations, procedures and programs available to the court. Recommendations are made with the knowledge that further review and approval will be required by appropriate judicial personnel.

In 1998, operating expenses for the court were \$171,374 for salary and benefits and \$57,434 in other expenses for a total of \$228,808. The court collected \$390,438 in revenues. Of these, \$239,000 was retained by the township. Court sessions are held on Tuesdays from 1:30 p.m. to 3:00 p.m. for criminal, DWI and motions. Traffic is held from 6:30 p.m. – 9:30 p.m. the same day.

ORGANIZATION AND STAFFING

The court staff consists of a part-time judge, a court administrator, a deputy court administrator and a violation clerk. The court administrator and deputy routinely work court days and nights, with the third staff person serving as backup in their absence. The court administrator is certified and the deputy is in the process of becoming certified as a deputy. The court administrator records additional time worked for evening court and the deputy administrator earns overtime for working court sessions. The administrator worked 153 additional hours in 1998 and had taken 21 by September.

Recommendations:

It is recommended that court staff minimize overtime from court sessions by working alternative hours.

It is recommended that the township discuss the practice of recording and using extra hours worked to assure that it will not incur an unintended liability.

The court disposed of 5,605 cases in 1998. Of those, 5,039 were traffic related with 3,033 for moving violations other than DWI. Cases added in 1998 totaled 5,165. Cases disposed exceeded cases added by 440, or 6%, demonstrating that the court is managing its caseload effectively.

With three full-time positions, the staff disposed of 156 cases per month, per person. This is 25% less than the conservative benchmark of 205 cases currently used by LGBR. Productivity is affected by many factors, including the relative proportions of parking, moving violations and disorderly person (criminal) cases and the training and experience of the staff. The neighboring

Princeton Borough municipal court staff processes almost five times that amount. An explanation of the borough's high productivity could be the high volume of parking cases. Reducing the staff by one would result in a productivity level of 280. It would also result in many instances when just one person would be working at a time, and this is not necessarily appropriate. A way to accommodate the need for backup while improving the court's productivity would be to train someone and have that person work somewhere else, such as public works or human services, with the understanding that the individual would provide assistance to the court as needed. The best solution, actually, would be merging with another court to create a workload appropriate to the minimum staffing required for coverage purposes.

Recommendation:

It is recommended that the township reduce the court staff by one while identifying another individual who could be trained to serve as secondary backup.

Cost Savings: \$29,517

BOROUGH/TOWNSHIP RELATIONSHIP

The borough and the township share the same judge, public defender and prosecutor. The result is a great deal of flexibility and cooperation between the two courts, i.e., if a borough case must be scheduled for an evening it is scheduled at the township.

The numbers show that a consolidated court would be more cost effective and operate at a reasonable level of productivity for both municipalities. A court with an administrator, two deputies and four violations clerks and cases totaling 54,458 would decrease the total staff needed by 1.5 and require/allow a productivity of 648 cases per person. The per unit cost of disposing of a case is \$40.82 in the township and \$7.66 in the borough. The new configuration is estimated to cost \$9.61 per unit. The beneficiary of such a consolidation, in this instance, would be the township more than the borough. The additional \$2.00 per unit cost for the borough reflects the cost to maintain a disposal rate equal to the additions. The potential cost savings to the township would be \$35 per case or more than \$180,000. The cost sharing should be negotiated to assure both communities benefit financially. The arguments against such a consolidation are those that are difficult to quantify, relating to the culture and personalities of the two towns. Such a merger would follow logically with the consolidation of the police department.

In a joint court, the governor appoints the judge. Because the two towns currently have the same judge, we do not anticipate there being a problem with reaching agreement on the appointment of a judge for the joint court.

Recommendation:

It is recommended that the municipalities consider a consolidated or joint court and negotiate a sharing of the financial benefits. One way would be to split savings based on population.

Cost Savings: \$93,000 (net)

Borough Savings: \$39,990

Township Savings: \$53,010

FIRE

Princeton Township and Princeton Borough operate a joint volunteer fire department comprised of three companies. Engine Company #1 currently has 42 volunteers, Princeton Hook and Ladder has 40 volunteers, and Mercer Engine #3 has 52 volunteers. The three companies are among the oldest in the country, founded in 1795, 1788, and 1845, respectively. This history helps to attract and keep volunteers and also makes it difficult to change this historic configuration.

There are eight apparatus including six pumpers, a ladder and one special services unit. The 1998 expenditure for salaries was \$17,832, (funding firehouse maintenance and providing a stipend for an administrative aide). Other expenditures came to \$184,449. Included in other expenditures were stipends for stand-by pay, head drivers and custodial duties totaling approximately \$19,000. Total expenditures on fire services were \$203,181. The borough's actual total expenditure was \$79,455 (39%) and the township's was \$123,726 (61%). The interlocal services agreement calls for a cost sharing based on total assessed value, which would be 48%/52%.

Recommendation:

N.J.S.A. 40A:14-34 specifically delineates the financial assistance a municipality can provide to volunteer fire departments. It is not clear that the current financial arrangements are in compliance with that statute and, therefore, it is recommended that the borough and township have this matter reviewed by counsel.

The team had difficulty verifying the exact number of calls answered and the break down of those calls in terms of type of call and type of response. With each reverification, although the numbers varied in total, the percentages and thus the conclusions did not. To address this issue we used approximate numbers which are not exact but still are useful in identifying issues and potential solutions. This experience indicates a need for a more consistent policy of reporting and recording fire call history in both the township and the borough.

Recommendation:

It is recommended that both the borough officials and the township officials establish a procedure that is consistent between the township and the borough for reporting and recording fire calls and responses.

There were an estimated 800 calls of which 28 (4%) were general alarms and 472 (59%) were false alarms. In addition to these calls, the chief estimated that the volunteers attend as many as 150 fire prevention/community relations calls. The ISO rating for the township is six and nine depending on whether an area is within 1,000 feet of a hydrant. The borough ISO rating is five. These ratings are typical for the types of communities with volunteer fire companies.

ORGANIZATION AND STAFFING

The organization is lead by a chief, a deputy chief, and an assistant chief. The positions rotate among the three chiefs of the companies so that the leadership is shared equitably among the companies. Each company elects a chief, a captain and two lieutenants. The general control and management of the Princeton Fire Department is the responsibility of the board of engineers, which is comprised of a chief, a deputy chief, an assistant chief, the captains, and the lieutenants of the three companies for a total membership of 12.

The municipal code authorizes 65 members in each company. The reported norm was 50. The actual average was 44. Many of the volunteers are people who work in the Princetons during the day. Consequently, unlike most other municipalities with volunteer fire departments, there is a shortage of volunteers in the evening, as opposed to the daytime.

FALSE ALARMS

The township and the borough have alarm ordinances that are very different. In the borough, the ordinance requires registration annually or upon transfer of property; prohibits alarms going directly to the police and fire departments; requires proof that an alarm company has tested the system within 24 hours of the false alarm detailing cause and corrective action taken; requires notification of the police department when testing or repair is taking place. The fire official is to notify the owner when there have been three false alarms and there is a penalty of between \$100 and \$1,000 for more than six false alarms or for failure to register. In the township, the ordinance requires registration; prohibits alarms going directly to the police or fire department; imposes a \$100 fine for more than three false alarms; and requires the owner to disconnect the system for the remainder of the year after ten false alarms.

Recommendation:

It is recommended that the borough and the township develop and enforce a stringent alarm registration and false alarm penalty ordinance that is consistent in both communities. The ordinances should include, an annual registration requirement, the provision the borough currently has requiring proof of inspection and repair, and penalties beginning on the third false alarm and increasing, significantly, with each additional false alarm.

RESPONSE PROTOCOLS/EXPERIENCE

The constitutions of the fire companies require that members respond to 60% of the general alarms. In 1998, only 28 of an estimated 800 alarms were general alarms. To date, they had no formal response protocols but were in the process of adopting them. A review of 1998 fire call data shows that, of an estimated 472 false alarms, 210 or 44% were responded to with no apparatus and no fire fighters. The lack of response to false alarms needs to be addressed in order to assure a timely response in the event of an actual fire. One explanation is that the fire fighters recognize addresses as places where the alarms are almost always false. One way to deal with this issue is to decrease false alarms through more stringent alarm ordinances (this matter is discussed above). Another way is to assure a response to all fire calls. This can be accomplished by adopting reasonable response protocols and, also, by increasing membership response requirements to 60% of general alarms and 10% of all other calls. This means that each volunteer would be required to respond to a minimum of 94 calls and the requirement would create an average number of fire fighters responding to 16, thus assuring the typical three vehicle, 12 person response. Reducing false alarms would, in turn, reduce the number of responses required of a volunteer fire fighter.

Recommendations:

It is recommended that the fire department increase response requirements of volunteers in order to assure a response to all fire calls.

It is recommended that the fire department, with the concurrence of the police department, adopt reasonable response protocols for each type of call.

VEHICLES

As mentioned earlier in this report, the fire department maintains and operates eight apparatus including six pumpers, an aerial ladder with pumper, and a special services unit. One pumper, purchased in 1998, has a snozzle which is a sword-like attachment that can break through exteriors and bring water in at 2,000 gpm. This equipment is best used in fires where entrance is not possible, such as aircraft fuselages, tanks and similarly enclosed environments. They can also be helpful in exterior fires but, not any more helpful than normal aerial fire fighting equipment. Its cost was \$480,000. Observation indicates little or no use for this specialized equipment. The borough has committed to a capital plan that calls for purchasing a new truck every three years. Once fully implemented, this plan will lead to the replacement of a truck every 21 years. Four of the apparatus are more than 20 years old. A ladder truck is currently in the specification development stage. Each company chief also has a vehicle purchased through the municipal fire department budget. The chiefs' vehicles are a recycled 1992 Chevrolet Caprice from the police department, a 1990 Ford Bronco, and a 1999 Ford Expedition.

The borough and township are to be commended for developing a rational apparatus replacement plan that takes into account the life of the equipment and routine replacement.

Recommendations:

The borough and township are encouraged to carefully specify the requirements for new apparatus in order to assure that there is competition and, only those specifications absolutely necessary are included. A total of \$600,000 is budgeted for the new ladder truck, including financing. It is expected that if carefully bid, the truck could come in for \$480,000.

It is recommended that the purchase of equipment as specialized as the pumper with the snozle be thoroughly justified, based on the community's size and fire call history. A more typical pumper with a heavy stream appliance, such as a deck gun, would have saved the community between \$80,000 and \$280,000.

The above discussion assumes that the fire department operates an appropriate number of apparatus. Only 12 calls out of 800 were identified as responded to by more than three trucks. In the past, it was a common practice to relate the number of pumping companies and their capacity and other apparatus and personnel requirements to the population to be protected. Fire department response requirements are now based on the water flow in gallons per minute that may have to be applied and a minimum response configuration for a structure fire established in the National Fire Protection Association (NFPA) standards for a structure fire. For a community such as Princeton, the NFPA standards would call for the minimum response for a structural fire of two pumpers and a ladder.

Recommendation:

Based on current nationally accepted protocols and the response history of the department, the team recommends that the fleet be cut by two pumpers for a total of four pumpers, a ladder and a special services unit.

**Cost Savings: \$65,000
Borough Savings: \$31,200
Township Savings: \$33,800
One-time Revenue: \$400,000
Borough Revenue: \$192,000
Township Revenue: \$208,000**

EQUIPMENT MAINTENANCE

Basic maintenance is the responsibility of the head driver. An independent contractor performs preventive maintenance. A total of \$26,992 was paid for vehicle maintenance, supplies and head driver stipends. Head drivers are responsible for routine maintenance of the apparatus. Total 1998 maintenance averaged \$3,374 per vehicle.

Recommendation:

It is recommended that the fire department's vehicle maintenance operations be consolidated, thereby, reducing per vehicle expenses to \$2,700, to produce a cost savings of \$5,392.

Cost Savings: \$5,392
Borough Cost Savings: \$2,804
Township Cost Savings: \$2,588

TRAINING

The by-laws of each company establish training requirements. Princeton Engine Company #1 and Mercer Engine Company #3 each hold 24 drills and require that members participate in 50% of them. The Princeton Hook and Ladder Company holds 36 drills and requires members to participate in 60% of them. In addition, the chief, deputy chief and assistant chief hold six department wide drills annually. The difference in requirements is attributable to the greater complexity of ladder truck operations and procedures. The borough administrative offices maintain copies of all certifications and an officer is designated to maintain drill and training records.

SAFETY

A safety officer is appointed and serves, basically, as long as desired, since the position does require additional training. In addition, the borough is compliant with 95% of the suggestions in National Fire Protection Association Regulation 1500. This year a Personal Accountability Safety System (PASS) will be obtained and implemented.

Recommendation:

It is recommended that the safety officer attend all borough and township safety committee meetings.

STANDARD OPERATING PROCEDURES (SOPS)/RULES AND REGULATIONS

The department has a set of both SOPs and rules and regulations, which are reviewed and updated by the board of engineers, as needed. They are currently formulating response protocols that are integral to a uniform and consistent response to fire calls.

MUTUAL AID

The three chiefs participate in the Mercer County Fire Chiefs Association's monthly meetings and participate in the Mercer County box plans that delineate a series of responses for the various fire scenarios. This is reviewed and updated annually by the county fire chiefs to reflect changes in equipment and to improve deployment to assure maximum coverage.

FACILITIES

Each fire company operates a fire station -- two owned by the borough and one owned by the township. The three fire stations are within 1.6 miles of each other. Princeton Hook and Ladder's station was built in 1957 and has three bays; Engine Company #1 has 2.5 bays and was

built in 1965, and Mercer Engine Company #3 has four bays and was built in 1992. The borough's fire stations are valued at \$851,100 and \$420,200 and the township station is valued at \$885,600. When the newest station was built the old station was bought by a bank and now functions as a viable commercial property. Response time is affected more by the arrival of volunteers than the location of the station and, currently, is six minutes. With fewer vehicles and the proximity of the three fire stations to each other, it would be possible to close one of the stations.

Recommendation:

It is recommended that the borough close one station and have the two fire companies share the larger facility.

One-time Revenue Enhancement: \$420,200

Annual Revenue Enhancement: \$9,328

PRINCETON FIRST AID AND RESCUE SQUAD

The Princeton First Aid and Rescue Squad was incorporated separately from the fire department in March, 1940. In 1976, when many organizations were being taken over by municipalities, the squad remained a separate nonprofit agency. Although not a municipal entity and, therefore, not required to participate, the squad did participate and cooperate fully in the review. The squad is a 501c(3) nonprofit agency serving Princeton Borough and Princeton Township. It is registered as a volunteer charitable organization with the state. The squad responded to 1,823 calls in 1998. The typical response time was three to four minutes, with a range of immediate to 15 minutes, depending on the circumstances and distance.

ORGANIZATION AND STAFFING

The current roster shows 64 volunteers. The constitution requires that members attend one third of the monthly meetings and half of the twelve drills held annually. In addition, each member sleeps in once every other week, four per night, and is required to find a replacement of equal or higher status if he/she cannot be there. Two paid EMTs, who are part of the squad, cover weekdays. One works 8:00 a.m. to 4:00 p.m. and the second works 9:30 a.m. to 5:30 p.m. The squad also hires additional per diems for weekends and other times when volunteers are not available.

FINANCIAL

The total operating budget for 1998, including the nonprofit budget and the day crew budget, was \$302,766. Princeton Borough and Princeton Township provided \$39,724 and \$84,412, respectively, to the squad for support of a paid two-person day crew for a total of \$124,136. The contribution made by each entity is proportional to the ratable base. In 1999, the agency

anticipated as much as \$171,500 in outside contributions and, yet, estimated an operating deficit of \$7,130. LGBR is supportive of the community values represented by involved, active volunteer organizations and the Princeton First Aid and Rescue Squad is such an organization. There are, however, several issues that need to be addressed and may pose arguments for a different service delivery configuration.

The total unit cost per call is \$166.08 and the taxpayer portion is \$68.02. The remainder is raised through contributions from the public. In comparison, one volunteer squad operated with no paid employees at a cost of \$56.55 per call. The per call costs of two other city-based, paid organizations was \$45.00 net of collected reimbursements.

N.J.S.A. 40:5-2 states that a municipality may make a contribution to a volunteer first aid organization of up to \$35,000 or up to \$70,000 if a need is demonstrated and the CFO is provided with an audit performed by a CPA/Registered Municipal Accountant (RMA). Additional monies may be expended to purchase vehicles and equipment titled to the municipality. Although in total, the contributions do not exceed the statutory requirements, Princeton Township's contribution exceeds the \$70,000 limit. If there is a legal problem with the level of support, it can be addressed in one of several ways. First, by paying for the service based on residents' use, which is estimated to be closer to 50/50 rather than the ratables 1/3-2/3 split. Secondly, the paid EMTs could be put on the payroll of one of the two municipalities. The team currently estimates that this would not increase the cost of the employees, however, it could negatively impact future costs or negatively impact the organization's fund raising ability. Thirdly, the township contribution could be capped at \$70,000. A variation on this alternative would be for the borough to provide for the difference.

Recommendation:

It is recommended that the borough review, with its attorney and auditor, the requirements of N.J.S.A. 40:5-2 regarding limits to supporting the operations of volunteer rescue squads to assure that the municipalities are in compliance with the law.

COMPETITIVE CONTRACTING

A solution to all of the issues outlined above could be competitively contracting for the services currently provided by the day crew and the per diems. This has been successfully implemented elsewhere, most recently in Franklin Township, Somerset County. The contracting agency could bill, under its existing certifications, for the calls it responds to and the team is aware of at least one vendor who has done this successfully without harming the stability of volunteer organizations. In Princeton's particular circumstance there is a likelihood that, while addressing the issues outlined above, the municipalities would save the total cost of the day crews or \$124,136. In addition, the volunteer organization would save the cost of the daytime use of the ambulances as well as the costs related to liability for the period covered by the contractor.

Recommendations:

It is recommended that the Princeton First Aid and Rescue Squad consider contracting with a private vendor to perform the functions currently being performed by the day crew and per diem workers.

**Cost Savings: \$124,136
Borough Savings: \$39,724
Township Savings: \$84,412**

The municipalities could support the contracting initiative by making up the difference of any loss in revenue from private sources up to that amount currently used to support the agency within the constraints of current law.

It is recommended that the squad and the municipalities explore volunteer incentive initiatives in order to bolster the volunteer component of the squad and limit the reliance on paid staff.

EQUIPMENT

The squad operates three ambulances, a heavy rescue vehicle, a zodiac boat and a utility truck. The cost for repairs and maintenance is \$13,000. Reducing the fleet by one ambulance would reduce annual maintenance costs by \$1,000 and reduce capital investment costs by an estimated \$12,000 annually. Two other communities identified, with populations in excess of 50,000, operate successfully with two ambulances in service, with reserves available from the vendor. A review of the 1998 call history shows there were 79 (4%) instances when two ambulances were required and 22 (1%) instances when three or more were required. It is the team's belief that the squad could operate effectively with a two-ambulance configuration and, somewhat more, reliance on mutual aid.

Recommendations:

It is recommended that the squad evaluate the need to operate three ambulances. Reducing the complement to two would decrease the need for additional space.

**Cost Savings: \$13,000
Borough Savings: \$4,160
Township Savings: \$8,840**

If the above recommendations are not implemented satisfactorily, it may be time for the squad to consider operating as a paid nonprofit that collects reimbursements.

PUBLIC WORKS

ORGANIZATION/OPERATION

The township has an area of 17 square miles with 90 miles of municipal road maintained by public works. Observation indicates that the department accomplishes its tasks effectively within the constraints of its resources. It has 20.33 employees including one superintendent, two foremen, two mechanics, one part-time mechanics helper, two arborists, four equipment operators, eight general maintenance personnel and one recycling employee. As in any small department, employees have multiple responsibilities. This operation is vast in scope, yet small in scale, resulting in some underuse of equipment. This “less than efficient” scale of operations is mitigated to some extent by the formal and informal cooperation that exists between Princeton Borough, Princeton Township and Lawrenceville Township.

Notable cooperative efforts include joint operation of the compost site, cooperation in street paving and the easy borrowing of specialized equipment. In a continuing effort to economize, the municipality should look to expand cooperative efforts with Princeton Borough as well as other nearby communities.

FINANCIAL

In 1998, the public works department expended \$830,170 for salaries and direct benefits, \$36,458 for overtime and \$207,530 for other expenses, totaling \$1,074,158.

FACILITY

The public works facility is located at the corner of Witherspoon Street and Valley Road on Route 206. This facility is both the operations center and the maintenance garage. Most vehicles are stored off site at the Tiger Facility, located in a residential neighborhood. With this, come common noise and traffic complaints. Space at the Witherspoon Street facility is at a premium both inside and out. There are five bays and an office on the first floor and an employee room and storage area on the second level. There is also a storage building behind the maintenance and operations center. Employees report to work and are driven to the Tiger Facility to pick up vehicles and equipment for that day's operation. The need to store equipment at a satellite site costs the department approximately 15 minutes per employee at each end of the day. The dollar cost of this retrieval and re-storage of vehicles is approximately \$32,000 annually.

VEHICLES

There are 25 vehicles operated by the public works department.

Vehicle Type	Number of Units
Pick Up Trucks	4
Dump Trucks	9
Lift, Dig, Cut & Load Machines	4 backhoes, loaders, lawn tractors
Single Purpose Specialized Equipment	4 compactor trucks, 1 vacuum truck, 1 roller, 1 bombadier snowplow, 1 utility boom truck

WORKLOAD

The superintendent keeps daily assignment records and the foreman keeps notebooks. The assignment records consist of notes on the back of obsolete forms and the notebooks are barely legible. Annual compilation of the many types of work done could not be accomplished with the documentation available. Though some hand written records existed, few activities could be quantified. For example, the street sweeper operation has a standard form for each day's activity. This form is routinely filled out incorrectly, with start miles exceeding finish miles on the machine and broom miles always reading zero. Technically, according to these records, the sweeper drove the streets and never put the broom down. Having such poor record-keeping deprives the department of documentation of productivity and the ability to determine if the methods applied are cost effective. Responsible government demands better accounting of the time and effort put forth by employees. Such an accounting would enable the township to determine the most cost effective and efficient method of accomplishing each category of work. It is common for smaller operations to be managed with a minimum of paper work. This operation, though effective in getting the work done, could benefit from detailed records and their use as a management tool in tracking unit cost. The public works department does not have clerical support; however, it does not take clerical support to standardize record keeping.

Recommendation:

It is recommended that the department develop a comprehensive record keeping system that tracks all the major categories of work done and the effort required to complete the tasks.

Fifty-five percent of the available hours for non-supervisory personnel could be quantified based on what was scheduled or described in interviews. That information is discussed below. Paid time-off accounts for another 16% of available hours.

The remaining 29% of the available hours are devoted to the following maintenance functions: ditches, barricades, drains, pot holes, catch basins, corner house, tree trimming, signs, Christmas tree pick up, stump grinding, asphalt overlay, tar wagon, pipes, support for the sewer operating committee, clean vehicles, paint, road milling, ball field maintenance.

Street Sweeping

Street sweeping operations function year round, weather permitting. Records indicate that the sweeper was deployed 78 to 80 days during the year. Information obtained through interviews indicates that it takes approximately 45 days to sweep the entire municipality. The municipality is swept approximately two times per year with some areas requiring, and receiving, no sweeping and other areas receiving sweeping on a regular basis. With the information available, the team estimates the street miles swept per year to be between 200 miles and 220 miles.

The annual costs associated with this operation are: salary and benefits \$16,653, capital and debt service \$15,625, vehicle maintenance \$2,916, and replacement brushes \$1,250. The annual cost of operation is \$36,444. Dividing that amount by annual miles swept (220), the cost per mile is

\$165. Other municipalities perform this function for \$45 per street mile swept. Market costs range from \$30 per mile for high mile, multi-year contracts to \$100 for short mile, single year contracts. The expense of the required equipment dictates that it is only cost effective to be owned if it is used continuously. If another municipality or a contractor could be engaged for \$55 per mile, the municipality could save \$24,200 per year in capital, debt and operating cost.

Recommendation:

It is recommended that the municipality contract with another municipality or a private vendor for this service.

Cost Savings: \$24,200

One-time Revenue Enhancement for Residual Value of Sweeper: \$30,000

Brush

Brush collection is a year round operation. During the third week of each month two crews perform this function. The expense for this function is \$31,408 for salary and benefits and \$3,979 for other expenses. This operation is augmented, as needed, with additional equipment and personnel, especially after serious storms. It could not be determined when this augmentation occurred. In 1998, 7,222 cubic yards of brush were delivered to the compost site. The collection and transportation of brush cost the department approximately \$4.90 per cubic yard. The municipality should encourage on-site composting of vegetative waste by residents. If one half of the brush currently collected and transported to the compost site could be eliminated, the savings would be approximately \$17,000.

Leaves

The primary leaf collection occurs for eight weeks in the fall, when two collections of the entire municipality are completed. This operation involves eight personnel for eight weeks. It costs \$50,253 for salary and benefits and \$4,815 for equipment support. In 1998, 7,440 cubic yards of leaves were delivered to the compost site. The collection and transportation of leaves cost the department approximately \$7.40 per cubic yard. While the total elimination of leaf removal is not possible, LGBR encourages the township to make efforts to reduce leaf collection. The municipality should encourage on-site composting of vegetative waste by residents. Some communities have promoted the on-site composting of yard waste by providing composting bins to residents at cost. If one half of the leaves currently collected and transported to the compost site could be eliminated, the savings would be approximately \$27,500.

Recommendation:

It is recommended that the township initiate a campaign to encourage the on-site composting of vegetative waste by residents, with the goal of eliminating one half of the leaves now collected. This has been encouraged through publicity and through the provision of composting bins at a discount.

Cost Savings for Leaves: \$27,534

Cost Savings for Brush: \$17,693

Support for the Compost Site

The staffing for this operation consists of one mechanic for approximately 260 hours per year valued at \$5,763, and one equipment operator 195 days per year costing \$35,040. Equipment, capital, debt service and maintenance cost for one loader is approximately \$12,200. Ad hoc support for this operation could not be calculated due to the lack of adequate documentation. The quantifiable in-kind support provided by the township is \$53,003. In 1998, the township disposed 14,662 cubic yards of vegetative debris at the compost site. This cost the municipality approximately \$3.62 per cubic yard.

Sanitation

Garbage collection is contracted individually by the residents.

Recycling

For this function, 1997 volume data was used in conjunction with 1998 cost data because complete 1998 volume data was not available. Mercer County Improvement Authority was contracted to do curb side, residential recycling pick-up. In 1998, the municipality expended \$98,461 for curbside recycling. This is \$17.73 per household and is perceived by the team as being a cost-effective method for municipal residential recycling.

The township is commended for relying on interlocal resources to provide recycling in a cost effective manner.

The municipality operates a satellite recycling site adjacent to the shopping mall. This site is staffed 9:00 a.m. to 5:00 p.m. Monday through Saturday and from 2:00 p.m. to 5:00 p.m. on Sunday. The salary and benefit cost of staffing this site is \$43,199. Other in-kind support for this operation includes approximately 234 hours per year at a cost of \$4,550 for equipment operator salaries and benefits and \$2,100 for equipment costs. Total costs of operating this site are \$49,849. This satellite recycling operation is redundant. The residential pick up operation recycles a wider range of materials.

Recommendation:

It is recommended that this operation be eliminated.

Cost Savings: \$49,849

VEHICLE MAINTENANCE

The department maintains and repairs all 59 municipal vehicles, including police and administrative department vehicles, at the public works facility. This public works building has five maintenance bays. One supervising mechanic, one mechanic, and a less than half-time mechanic's helper constitute the staffing. Vehicles are well maintained, preventive maintenance is done regularly and there is no backlog. The salary and benefit cost for maintenance of this fleet is \$108,128; other expenses including parts, extended warranties and marketplace repairs totaled \$69,730. The average cost to maintain the township's vehicles is \$3,015 per vehicle. The

cost of this service in the market place is \$2,700. The low use factor of these vehicles should put the maintenance cost lower than market in a larger scale operation.

The township, the borough and the fire department should consider merging their vehicle maintenance operations. A facility to be specifically used for vehicle maintenance could be built at the River Road Site, which is already governmentally owned. This facility does not need to house these vehicles. Therefore, the size can be tailored to the repair needs of this organization. This move would serve two purposes. First, it would expand the scale of operation to more than 150 vehicles, which is more efficient to manage. Secondly, it would free up space and reduce traffic at both the borough and township public works facilities, which are currently overcrowded.

Recommendation:

It is recommended that the municipality consider a joint operation for vehicle maintenance with the borough, the joint sewer operation and the joint fire department.

Cost Savings: \$18,585

SAFETY

Safety meetings are held on an ad hoc basis. Safety equipment is provided and policy requires that it be used while working. CDL licenses are checked and verified once per year.

Recommendation:

It is recommended that the department take a more proactive position on safety education by initiating monthly safety meetings.

COMBINED OPERATION

The Princetons have studied combining various operations for years. The team estimates that the yearly savings in a combined public works operation would be \$141,000 for salary and benefits. This would reduce the combined organization by one superintendent and one foreman, leaving one superintendent and three foremen. This represents 8.4% of the combined salary and benefits expended by the municipalities in 1998. Additionally, \$17,500 would be saved in reduced equipment needs. Other expenses would not change significantly. An advantage of consolidating operations would be further coordination of activities affecting contiguous facilities and infrastructure. Consolidating public works operations has not been accomplished, primarily, because it is a service that can significantly affect the quality of life and the public's perception of the government. The elected officials are reluctant to relinquish control of a service affecting the taxpayers and, therefore, it has, to date, been politically infeasible.

Recommendation:

It is recommended that the public works functions of the two communities be combined. Total savings would be \$158,500. The borough's share of savings would be between \$52,833 and \$79,250, depending on how the costs are shared.

**Cost Savings: \$158,500
Borough Savings: \$52,833 - \$79,250
Township Savings: \$79,250 - \$105,667**

CONSTRUCTION CODE OFFICE

The construction code office is located on the second floor of the municipal complex. A full-time building official, a full-time technical assistant, a full-time plumbing sub-code inspector and a part-time contracted electrical sub-code inspector and a part-time contracted fire sub-code official staff the office. The technical assistant is the control person and, thus, the primary contact with the public, working 35 hours per week to assist the public with the application and permit process.

WORKLOAD

In 1998, the construction code office issued 1,487 permits and performed 6,534 inspections. In reviewing the UCC workload, the team obtained the 1997 and 1998 Department of Community Affairs staffing analysis for reported permit activity of the township construction code staff. The 1998 report indicated that this department functions efficiently requiring less than average staff input (see Appendix K for details).

FINANCIAL

In 1997, the Uniform Construction Code (UCC) function generated \$631,280 in fees. In this same year, the construction function expended \$164,081 for salary and wages, \$42,211 for fringe benefits, and \$84,391 for other expenses. The total expense was \$290,683. Revenue exceeded expenses by \$330,597.

In 1998, UCC fees of \$513,463 were realized. In this same year, this function expended \$233,746 for salaries and wages, \$54,065 for fringe benefits, \$555,514 for other expenses, \$60,731 for contracted electrical and \$45,886 for fire subcode services. The excessive other expense is due to a one-time cost associated with the construction of the new municipal complex. In 1998, expenses exceeded revenue by \$436,478.

The cost of contracted services for electric and fire subcode inspections is high. Other municipalities obtain these services at \$32.30 per hour for electrical and \$36.75 for fire subcode inspections. Based on the DCA calculation of 29 hours per week for electrical and 18 hours per week for fire subcode inspections, these services should cost \$48,708 for electrical and \$34,398 for fire subcode inspections.

Recommendation:

The municipality should explore the cost effectiveness of bringing the electrical and fire subcode services in house or finding a contractor that is more competitive.

Cost Savings: \$23,508

RENTAL HOUSING

In 1998, the department inspected 177 of the 321 rental properties in the township. The fees generated by this activity were \$6,650 and are considered adequate for the staff input required. These inspection and processing activities required 90 to 100 hours of staff input. Landlords are notified through the mail and have 30 days to correct any discrepancies.

ENGINEERING

The engineering department is the parent department to public works and buildings and grounds. The department performs design work in house and oversees the consultant in completing \$3,000,000 to \$4,000,000 worth of construction work annually. Construction management is performed for all projects in house. The department is also responsible for reviewing and preparing reports for all land use applications and overseeing the construction of all land use development approvals to ensure compliance.

1998 Engineering Department Staff	
Engineer	Engineering Assistant
Assistant Engineer P/T/Zoning Officer P/T	Three Engineering Inspectors
PE Assistant Township Engineer	Administrative Secretary
Administrative Assistant	Accounting Clerk/Secretary P/T
PE Construction Engineer	Office Assistant P/T
Designer/CAD Operator	Two Interns P/T

FINANCIAL

In 1998, the municipality expended \$661,252 for salaries and benefits, \$47,777 for overtime and \$14,217 for other expenses, for a total expense of \$723,246.

WORKLOAD

In addition to the \$3,000,000 to \$4,000,000 worth of annual in-house construction projects, department responsibilities included engineering input for the new municipal complex, three major site plan reviews, two concept plan reviews, a preliminary and final review for a major sub division, a lot consolidation and an administrative waiver. The engineer stated that

approximately 15% of the staff's time in 1998 was devoted to engineering related to the new municipal complex.

Recommendation:

When the new municipal complex/police station is completed there should be a considerable reduction in the workload. The municipality should review the staff requirements of the engineering department with emphasis on the requirements for engineering assistants.

BUILDINGS AND GROUNDS

The buildings and grounds functions are subordinate to the engineering department and employ two custodians. One custodian is entirely under the control of the police department, though, organizationally he is under the engineering department's buildings and grounds division. At the time of the study no one in the department knew of this employee. Only after several phone calls was it discovered where this employee worked. The second custodian is responsible for the Valley Road Building and the Recreation Department Building. The combined square footage of these facilities is 43,874.

Financial

In 1998, the municipality expended \$42,359 for salaries and benefits, \$1,615 for overtime and \$14,081 for other expenses related to buildings and grounds. The total expense of this functional area was \$58,055. This is an expense of \$1.32 per square foot. This service is available in the competitive market for \$.80 to \$1.00 per square foot. The township could have saved \$19,000 on the current building if it had bid it and paid \$1.00 per square foot. The new municipal complex has an interior floor space of 54,000.

Recommendation:

When the municipal departments occupy the new complex, a measurement should be done of those areas that are cleaned on a regular basis, (not to include utility and storage areas) and this service should be contracted out based on the actual square footage cleaned on a regular basis which will be less than the 54,000 total area of the building. Another option would be to contract this service in one large contract with the board of education, and the borough. Even if the gross square footage were used for calculation purposes, the savings would be at least \$4,055.

Cost Savings: \$4,055

ZONING

The zoning office is responsible for zoning, historic preservation and other development matters. The office supports the zoning board as well as the historic preservation board. The zoning board consists of seven regular members and two alternates. The historic preservation board has seven members.

The department is staffed by a part-time zoning officer, who is also the township's assistant engineer, a full-time deputy for development and historic preservation, a full-time administrative coordinator and a part-time office assistant.

The zoning officer manages the department and is responsible for all administrative and personnel functions. The deputy for development and historic preservation is responsible for technical review of applications and plans. The administrative coordinator/zoning and historic preservation secretary is responsible for coordinating the activities of other staff members, attorneys and various boards to expedite the processes of the zoning operation. The office assistant handles telephones, mail and correspondence.

Financial

In 1998, the department received \$5,695 in zoning fees, \$500 in historic preservation fees, \$23,010 in zoning escrow funds and \$2,540 in historic preservation funds.

1998 expenditures were \$88,569 for salaries and wages and \$12,682 for other expenses.

Workload

In 1998, the department reviewed 21 applications for "C" and "D" variances, 13 applications for the Historic Preservation Commission and 25 planning board applications. Eighty-three departmental hours were used attending board meetings and 1,400 hours were expended preparing staff reports for board applications. This department issued 318 zoning permits in 1997; the number issued in 1998 was not available.

JOINT PLANNING

The Regional Planning Board was organized in 1970. The 12 member regional planning board is a combination of four elected officials and eight private citizens, with equal representation from each community. The regional planning office is located in the township municipal complex and is administratively supported through township systems. The first regional master plan was adopted in May, 1980 and the second in July, 1989. The most recent master plan was adopted on December 12, 1996 and amended on May 15, 1997.

A professional planner, an administrative coordinator, and a secretary staff the office. The board also contracts its own legal counsel. The secretary, who works in planning, is currently charged to another operation and, therefore, the additional cost of \$43,625 in salaries and benefits is not reflected in planning expenditures.

The stated mission of the planning board is to preserve and, where possible, enrich the sense of community of the borough and township. The board promotes a variety of housing, businesses, recreational facilities and open space to meet the diverse needs of its citizens of different ages, ethnicity and income. It preserves and enhances the historical, educational, and environmental treasures of the community.

In 1998, the joint planning office received 40 applications for development in the borough and 32 applications for development in the township. This is one of the few joint services where workload is well documented and fairly evenly split.

Financial

The joint planning operation generated \$32,695 in fee revenue in 1998. A comparison of the fees charged indicates that these fees are comparable in most areas, the exception being preliminary and final site plans. The preliminary site plan fee in the township is \$500 and in the borough is \$200. Some communities are charging \$500 + .03 per square foot. The final site plan fee in the township is \$250 and in the borough is \$100. Some communities have a fee of \$375 plus \$100 per acre or a flat \$500.

Recommendation:

It is recommended that these fees be reviewed to determine if they are sufficient for the time required to perform these reviews.

Escrow requirements are established and collected by each municipality for projects within their respective jurisdictions.

In 1998, the township appropriated \$85,400 for salaries and \$60,910 for other expenses for the joint planning function. These appropriations appear to include the borough's portion of \$72,319 or approximately one half of each category. The actual expenses attributable to this function exceed this appropriation.

The payroll data for the joint planning function indicates that this department has two employees, a planner and a coordinator. The combined cost of the salary and benefits for these two positions is \$133,969, exceeding the \$85,400 appropriation by \$48,569. The actual staffing of this functional area includes a third employee with salary and benefit costs of \$42,894 plus \$731 for longevity and overtime. The payroll data indicates that this employee is paid through the drug abuse program. The actual salary expense in this department exceeds the appropriation by \$52,107. In addition, these three positions had a fringe benefit expense of \$39,077.

The actual cost of this function is \$137,508 in salaries, \$39,077 in benefits, and \$60,910 in other expenses for a total expense of \$237,495. This exceeds the total appropriation attributed to the planning function in the township budget by \$91,183.

The local services agreement calls for a split based on taxable assessed valuation, which would be 68%/32%. Based on the team's analysis of expenditures, the township pays 70% of the net actual cost and the borough pays 30%. The actual budgeted amounts indicate a 50/50 split between the borough and the township.

Recommendation:

The borough and township are encouraged to consciously evaluate the structure of the agreement to assure equity and reflect consideration of the less easily quantified factors.

JOINT SEWER OPERATING COMMITTEE

The Sewer Operating Committee (SOC) is organized to serve both the borough and the township and uses the borough for administrative support. The committee administrative function operates out of borough hall and the field function operates from the River Road Facility. In 1998, this department had 13 full-time employees and four summer or temporary employees. The full-time staff included the SOC manager, the superintendent, the assistant superintendent, one inspector, one clerical and eight sewer maintenance personnel.

The responsibilities of the operation include inspections, routine maintenance and construction. The joint sewer operation is responsible for 125 miles of gravity-operated sewer line, and eight pump stations. This operation is also responsible for the landfill currently used for street sweepings disposal and the recycling drop-off site. Though much of the work required for the sewer function is of a routine nature, detailed records can be a vital management tool when attempting to establish cost per unit of activity. Records of daily work activities are kept manually. These records were clear as to location; however, unclear as to work input, except for records pertaining to pump station activity, line blockages and construction.

There is a very active inflow and infiltration abatement program. The most recent underground infrastructure mapping is approximately four years old. There have been requests to computerize the mapping function. The municipalities support this function in an ad hoc fashion, as their Computer Aided Design (CAD) systems are set up for other engineering and municipal functions.

Recommendations:

It is recommended that record keeping be automated. These records should clearly connect time spent to units of measurable work.

It is recommended that the municipalities adopt a policy developing and committing themselves to a schedule for having the engineering department regularly undertake the underground infrastructure system mapping as recommended by the SOC. An alternative would be to arrange for Princeton University to perform this function for the SOC.

INFLOW AND INFILTRATION

A comprehensive study of Inflow and Infiltration (I&I) was completed in 1986. Since this study, the municipalities and the joint sewer committee have replaced or relined 52,750 linear feet of sewer pipe; 30,425 linear feet of this had a major effect on I&I. The 1986 study projected average daily flows through the year 2010, with fourteen separate projections depicting different I&I reduction scenarios. Using these projections, with an adjustment for a rainfall differential of

15.2% above the base year, it is estimated that I&I has been reduced from approximately 33% of total flow to between 26% and 28% of total flow. The reduction saves these municipalities \$164,348 annually. With today's materials, these improvements will function longer than those constructed 30, 40, or 50 years ago. Some older improvements have lasted 60 or 70 years. For costing purposes, the team has given these assets a thirty-year life. Over the 30-year life of these renovations and reconstructions, the municipalities will save \$4,930,439 in processing costs. The capital investment through 1998 for I&I abatement projects was \$2,340,917. Over the expected life of these projects the municipalities will have a net savings of \$2,589,522 over their capital investment. The municipalities currently have a six-year capital plan for reconstruction and repair of this system.

The borough and the township are commended for this capital investment program and are encouraged to continue to increase these costs saving activities. It is currently estimated that this initiative will net a saving of \$2,589,522 over thirty years and currently produces an annual cost reduction of \$164,348. This is an excellent example of how much more can be accomplished by joining resources as the borough and township have.

FINANCIAL

Revenue

In the borough and the township, sewer billing is based on the previous year's water consumption. The borough and the township send their sewer bills with their tax bills. In 1998, the total sewer revenue for the municipalities was \$6,026,627.

In 1998, the borough received \$407,615 in revenue from Princeton Township, under the category of maintenance of sewer facilities.

In 1998, the borough and the township paid Stony Brook Regional Sewage Authority \$1,164,122 and \$1,575,011, respectively, for the processing of 1,618,098,530 gallons of sewage and ground water. The municipalities paid \$852,771 to the Waste Water Treatment Trust. The borough paid a \$21,429 industrial user fee. Total expenses in these categories are \$3,613,333.

The municipalities also expended \$113,882 on currently funded capital improvements.

In 1998, the salary, benefit, overtime and longevity expense in the operation was \$669,479. Additionally, the borough spent \$101,628 for other expenses. The township spent \$13,086 for other expenses and \$75,000 was expended for sewer facilities improvements. These salary expenses were split between the solid waste account and the capital project accounts. This operation is responsible for the solid waste activities at the landfill. The salaries charged to the solid waste account appear to have been charged as a convenience to bookkeeping rather than as a reflection of what was actually worked. The salaries charged to capital accounts were those of employees devoted to these projects. The total actual 1998 sewer expenditures were \$4,580,408.

In 1998, the sewer revenue in the municipalities exceeded the total current sewer expenditures by \$1,440,219. For a more detailed breakdown by municipality see the tables in Appendix L.

VEHICLES

In 1998, the SOC operated 20 vehicles. One mechanic is responsible for maintaining all vehicles and equipment. The salary and benefit cost for this function is \$52,142 including \$2,537 for overtime. Other expenses including parts, lubricants and marketplace repairs totaled \$17,223. The cost per vehicle is \$3,468. These services can be obtained in the marketplace averaging \$2,700 per vehicle.

Recommendation:

It is recommended that the SOC merge vehicle maintenance with public works vehicle maintenance, as discussed in the public works section.

Cost Savings: \$15,360

LIBRARY

The Princeton Joint Public Library serves the residents of the Borough and Township of Princeton. Its aggregate service population is 25,778. There was an average of more than 16,900 (66%) resident library cardholders and 1,066 non-resident cardholders in 1998. Total expenditures for 1998 were \$2,187,893.

In 1998, the library's attendance was 384,571 or 14.9 visits per capita and its circulation was 327,973 or 12.8 per capita. In 1998, the library answered 40,413 adult reference questions, 910 of which were attributable to the regional reference center function. The library also answered 21,105 reference questions in the youth services division.

The library is currently open seven days and four evenings per week (69.5 hours) from September through June and is open six days per week (65 hours) during July and August.

The Princeton Public Library is one of six joint public libraries in the state. The other five are Bedminster-Far Hills, Chatham Borough and Township, Chester Borough and Township, Matawan-Aberdeen, and Morristown and Morris Township.

An independent board of trustees governs the library. The board of nine consists of six citizen members (three from each municipality) and three statutory members: the mayors of the borough and township and the superintendent of schools or their designated alternates.

The library director reports to the board. The library director resigned in 1999 after more than eleven years of service. In June, 1999, an interim library director was hired, who was appointed as the director in November, 1999.

The library serves as the community's information center and states, as its mission, the desire to provide the highest level of service and materials given the constraints of resources and facilities. The 1998 board minutes indicate an active board of trustees, a diligent staff association that participates in the library decision-making process, and a supportive friends of the library group.

Early in our analysis it was clear that Princeton Public Library provides a high level of service with a high price tag. The question LGBR is commissioned to address is whether or not tax dollar savings could be achieved without negatively impacting services. The other side of this question is whether services could be enhanced for the same amount of money. The approaches explored in this analysis include staff cuts to achieve better productivity and regionalization of some services or the entire operation. The discussions address cost savings. Similar savings can be achieved in productivity enhancements, if resources are reorganized in order to achieve the productivity benchmarks identified. This could be accomplished by increasing staff productivity through staff development and a comprehensive system of accountability or by applying the savings identified from staff reductions to other expenditures that would improve services. For example, some savings could be applied to increase the materials budget to 15-18% of the budget or, given the current facilities constraints, it may, for now, best be used for a comprehensive user/nonuser survey to verify that the current direction of the library is meeting the interests of the taxpayers and for staff development.

FINANCIAL

Budget

The library operating budget prepared for the governing bodies is a thorough presentation of all sources of revenue and all expenditures. For 1998, the library requested borough and township support of \$1,777,331 out of a budget of \$2,188,703. This figure includes a reimbursement by the library to the governing bodies for services provided such as sewer and trash collection.

The borough and township appropriated \$1,761,531 to the library in 1998. Between 1995 and 1998 appropriation amounts have grown 20.2%, averaging 6.7% each year.

Fund Balances

The library has a policy of maintaining a total general fund and special revenue fund balance of between \$250,000 and \$300,000 annually for purposes of maintaining cash flow. In addition, the capital fund is maintained at a level of between \$300,000 and \$500,000.

Expenditures

In 1998, the library expended \$1,321,897 in salaries, \$277,887 in benefits, \$268,720 in materials and \$317,736 in other operating expenditures, for a total of \$2,186,240. Salary and benefits accounted for 73%, materials for 12%, and other operating expenses for 15% of total expenditures.

The state requires that municipalities provide a sum equal to one-third of a mill on every dollar of assessable property for the operation of the library. The Department of Community Affairs (DCA) Office of Local Government Services Municipal Information Sheet indicated that the state mandated one-third mill contribution for calendar year 1998 was \$321,446.31 for the borough and \$687,873 for the township, for a total of \$1,009,320. Expenditures within the state-mandated sum are within the purview of the board of trustees. The governing body of the municipality has the authority to determine the use of the appropriation in excess of the

minimum. The actual tax support paid in 1998 was \$563,690 from the borough and \$1,197,841 from the township for a total of \$1,761,531.

Optional Expense: \$752,211

Borough Share: \$242,243

Township Share: \$509,968

Revenues

In 1998, library revenues consisted of \$1,739,728 in municipal support, \$28,887 in per capita state aid, \$40,000 from the Central Jersey Regional Cooperative reference center grant, \$177,720 in fines and fees, and \$201,557 from the friends of the library organization, for a total of \$2,187,893.

The Central Jersey Regional Library Cooperative provides the library with a \$40,000 grant to serve as back-up reference center for the region which includes Mercer, Ocean and Monmouth Counties. The library answers reference questions that other libraries in the region are unable to answer using their own resources and abilities. In addition, the library develops and maintains a "Regional Reference Center" Web page. In 1998, 910 questions were answered under the grant.

The Princeton Public Library Foundation, a private charitable organization, has contracted with a private vendor to begin developing and maintaining a relationship between the library and prospective major donors to the library expansion project. The foundation's goal is to raise approximately \$6 million towards the expansion of the library building.

The library is commended for its aggressive pursuit of funding outside of the public domain. Through user fees, grants, donations, outreach and a very active Friends of the Library group, the library supports approximately 19% of its budget through private sources.

COMPARISON

In order to make fair comparisons, we used the most recent state library statistics. In 1997, the statistics reported that the library expended \$1,524,218 in salaries, wages and benefits, \$305,583 in materials and \$353,822 in other operating expenditures for a total of \$2,183,623. Salary and benefits account for 70%, materials for 14% and other operating expenses for 16% of total expenditures.

The 1997 state library statistics report indicates that revenues consisted of \$1,632,192 in municipal tax support, \$28,887 in state aid, and, approximately, \$454,377 in other revenues including fines and fees, for a total of \$2,115,456.

In order to evaluate the library, the team compared particular expenditure and service indicators to its peers (as identified by the acting library director), and libraries in the same expenditure and population group (see Appendix L for details). The outcome of this comparison is that the Princeton Joint Public Library, at \$84.71 per capita spends 24% more than its peers and 135% and 183% more than those in similar population and expenditure groups. Looking at service

statistics, a circulation per capita of 12 is 97% higher than its population and expenditure groups and just 3% higher than its peers' per capita circulation which is 11.9. Having 66% of the population as cardholders is average in comparison to the rest of the United States but high in comparison with Mercer County at 54%, again indicating a good service level and satisfaction with the service. Circulation per hour open is also 32% higher than its peers reinforcing the concept that the level of service is high. The cost per circulation is the same as its peers. Looking at per capita expenditures on materials, staff and other expenses, Princeton spends between 100% and 200% more on staff per capita than libraries in the same population and expenditure category. Princeton spends 20% more on staff per capita than its peers. In addition, the circulation per Full-time Equivalent (FTE) is lower than all of the comparison groups including 20% lower than its peers. At 1.35, the FTE per thousand population is higher than that of the population and expenditure groups and 30% higher than its peer group.

This data could lead to the conclusion that, although the service provided appears to be excellent, there may be excessive staffing. Therefore, the team examined staffing for each function. This was somewhat difficult to examine because a number of changes have occurred that are not particularly well documented because of the timing of the changes in relation to the team's data collection. In order to be as accurate and constructive as possible we have used staffing levels based on a January, 2000 payroll. It is noted that the library board has established a policy of analyzing each full-time vacancy in order to identify a more cost-effective means of performing the function and it appears that staffing has been reduced in some areas that originally appeared to be overstaffed.

Organization/Staffing

In January, 2000, the library had a full-time equivalent of 15 professional librarians, 19 paraprofessionals and 2.5 maintenance/custodial support staff. It is difficult to quantify but evident that between December, 1998 and January, 2000 commendable adjustments in staffing had been made to improve the productivity of some Princeton Public Library staff assignments in relation to the benchmarks used by LGBR. In 1998, the library had 30 volunteers that contributed approximately 4,500 hours.

The library is commended for its use of volunteers and for actively managing its staff configuration to improve productivity.

Below is a function by function description of the organization and evaluation of the staffing based on service levels. Appendix N provides a summary of recommended staffing changes in comparison to the current configuration.

Administration: The library's administrative department is staffed with four full-time employees that oversee the day-to-day operation of the library. The department has a director, an assistant director, an administrative assistant, and a bookkeeper. This department performs the overall policy management of the library, as well as, all the budgeting, purchasing, bookkeeping, fundraising, community relations and payroll functions of the library, for a budget of more than \$2.1 million.

Youth Services: The library's youth services function is staffed with a manager, the full-time equivalent of 3.2 librarians and one half-time library assistant, who plan and run the children and teen programs in the library. Youth services conduct homework help programs, seasonal story hours, craft programs, parent-child book discussions, film programs, major outreach programs, creative dramatics, and many different clubs. Additionally, the library has been working on creating more programs for teens by hiring a teen specialist, who is responsible for developing a teen program and improving the teen/young adult collection.

It is evident that the library has rearranged staff to reduce staffing of this function to some degree, since the end of 1998. To the extent that this now makes the productivity comparable to other libraries, the library is commended.

Circulation: The library's circulation department is staffed with a manager, three full-time library assistants, two full-time library assistant/shelvers and part-time library assistants equating to approximately 2.5 FTEs. The department is the library's front line for customer service. Circulation checks library materials in and out, enters patron records, sends out overdue notices, and handles patron phone calls. The library generally operates with two library assistants on the circulation desk. The current staffing level averages to approximately five FTE per hour open. An FTE of four would still allow for appropriate coverage and assistance with shelving.

Within circulation is the shelving function. The library's staff of shelvers all work part-time returning library materials to the shelves. The total part-time hours worked by the shelvers is 7,203.5 or 3.95 FTE. Shelvers were responsible for returning to the shelves approximately 83,031 items per FTE. The library usually has a one to two day backlog in shelving.

Recommendation:

It is recommended that the circulation staff be reduced by one full-time library assistant.

Cost Savings: \$23,453
Borough Savings: \$7,505
Township Savings: \$15,948

Maintenance: The library's maintenance department is staffed with one full-time facilities assistant/building control monitor and an FTE of 1.5 custodians. The facilities assistant who does the library's maintenance work also functions as the library's after-school monitor. The after-school position is used only during the school months. The two custodians share a part-time position as night custodian. The cost for this function is estimated to be between \$2 and \$3 which is comparable to school cleaning costs. This is reasonable, given the traffic and activity level of the facility. In addition, the staff provides more than the routine maintenance functions and therefore it would not be appropriate to contract out for this function at this time.

Reference/Info Services: The library's reference function is staffed with a manager, 4.5 full-time librarians, a full-time library assistant and an FTE of two part-time librarians. There are three reference librarians scheduled at a time. The staff answers all questions for the library

patrons and the regional reference center. This department is also instrumental in bringing more of the library services to the Internet. During 1998, the department answered 40,413 questions or 5,388 per FTE. Within the reference function are:

Community Resource File: There is a part-time library assistant whose sole responsibility is indexing local newspapers for the library. This individual also works under the supervision of the reference/information manager. The total part-time hours worked in this department are 658 or .36 FTE. During 1998, the library assistant updated 728 records in the community resource file.

Inter-Library Loans: There is one part-time library assistant, who is responsible for processing inter-library loans. This individual primarily works under the supervision of the reference/information manager. The total part-time hours worked in this department are 287 or .16 FTE. During 1998, the library assistant was responsible for processing 5,116 inter-library loans.

The Lawrence Headquarters of the Mercer County Library System provides full service reference to Lawrence Township, which has a population similar to Princeton in size and, to a lesser degree, demographics. Lawrence's FTE of professional librarians on the reference desk is 5.2. They answered 44,000 reference questions in 1998. This equates to 8,462 each or 36% more than Princeton's reference staff. Reducing Princeton's reference staff from 7.5 to 5.5 would increase its productivity to 7,348 questions per FTE which is still below the county's productivity level. If you reduced the FTE attributed to reference by the .5 person who is assigned to adult services/programming the productivity would be very close to the County's at 8,083.

Recommendation:

It is recommended that the reference staff be reduced by two FTE.

Cost Savings: \$81,523
Borough Savings: \$26,087
Township Savings: \$55,435

Technical Services: The library's technical services operation is staffed with 2.5 full-time librarians, 2.5 full-time library assistants, and part-time library assistants equating to 1.4 FTE, for a total of 6.4 FTE. The department provides all of the materials support functions for the library. This group is responsible for ordering books and materials, cataloging and processing all items, weeding the collection, managing holds, and selecting items for the adult, Spanish and children's collections. During 1998, 8,300 book and audiovisual items were added to the collection.

In order to assess the validity of the staffing, the team used Mercer County Library for benchmarking purposes. Mercer County's technical services staff consists of two professional librarians and seven paraprofessionals. The professional to clerical ratio is 1:3.5 at Mercer County and 1:1.2 at Princeton. Mercer County processed 67,799 items in 1998 or 7,533 items per staff member. Princeton averaged 1,297 items per staff person. Recognizing Mercer County

as highly efficient and benefiting from economies of scale and having an excellent automation system, the team would not propose that Princeton meet the same production standards. However, a reduction of 1.5 professionals and one full-time paraprofessional would create a ratio of 1:2.9 professionals to paraprofessionals and increase productivity to 2,371. One explanation for the high staffing level is that the staff selects some materials and is very active in weeding the collection. With 13 other professional librarians on staff there is little reason for the technical services staff to be responsible for materials selection. In addition, automation will further simplify and expedite processing.

Recommendation:

It is recommended that the technical services staff be reduced by 1.5 professionals and one full-time paraprofessional.

Cost Savings: \$125,772
Borough Savings: \$40,247
Township Savings: \$85,525

Automation Support: The library's automation staff is within technical services and consists of one full-time technical specialist and two part-time professional librarians, who are responsible for application development, office automation and the web page.

ADMINISTRATION

All purchase requests are compiled in-house and reviewed by borough and township administrators. The borough administrator co-signs all checks issued by the library from public funds. The assistant director performs the purchasing function.

The library undergoes an independent audit annually. The library is responsible for its own purchasing, and payroll. Payroll is prepared by the bookkeeper and sent to a contractor. The annual cost to administer the library payroll is approximately \$4,409 for processing and \$3,702 in salary costs, for a total of \$8,111. The costs associated with adding payroll to the borough's payroll is approximately \$4,022.

Recommendation:

It is recommended that the payroll function be centralized through the borough while being structured in compliance with N.J.S.A. 40:54-29.3 et. seq. The library should take advantage of services that are routinely performed by the borough and township.

Cost Savings: \$4,089
Borough Savings: \$1,309
Township Savings: \$2,780

Library Property and Casualty Insurance

The library spent approximately \$21,400 for property and casualty insurance in 1998. It expects to pay about \$22,900 in 1999. The review team consulted with both the borough's insurance fund manager and the township's broker about the feasibility of joining either organization. Since the library is a joint operation, it would need to be sponsored to the JIF by one of the communities. The savings that the library could expect from a joint insurance fund over their current full insurance is estimated to be 20% or \$4,580.

Recommendation:

It is recommended that the library approach both municipalities for sponsorship in a joint insurance fund. The savings are an estimate based upon premium paid versus a more accurate method of underwriting based upon claims history. Since the library is undertaking a large construction project, the expertise that the joint insurance funds can give regarding project management and safety would be worth the extra effort expended in changing insurers.

**Cost Savings: \$4,580
Borough Savings: \$1,466
Township Savings: \$3,114**

Personnel

A review of payroll records indicates that the library pays longevity. In 1998, there were 14 employees with over ten years of service.

Recommendation:

It is recommended that the library eliminate the practice of compensating staff for time spent on the job. A more appropriate system for upgrading compensation would be based on merit.

**Cost Savings: \$18,000
Borough Savings: \$5,760
Township Savings: \$12,240**

Payroll records also indicate that there are four part-time employees who receive benefits. Part-time employees, working 20-30 hours a week are given benefits at the discretion of the library. Benefits given to part-time employees in 1998 cost \$12,584.

Recommendation:

It is recommended that the library limit part-time hours so that benefits are not paid for part-time work and pay benefits only to employees that work over 30 hours per week. Eliminating this practice would save the library \$12,584.

**Cost Savings: \$12,584
Borough Savings: \$4,027
Township Savings: \$8,557**

The library lacks an updated personnel manual. Absent are policies relating to such issues as the use of computers and the Internet and customer service. Over time some of the information has become inaccurate. While the information may be understood or compiled accurately in another place, it is not in the library's personnel policy manual.

Recommendation:

While the library understands the need for an updated policy manual, one has not been drafted. An up-to-date personnel manual is critical in any well-run organization. Therefore, it is recommended that the library make this a priority in the coming months. LGBR further recommends that the library work in cooperation with the township and the borough in order not to duplicate efforts and assure consistency.

PROGRAMS

The library continually strives to enhance services provided through a host of programs for children and adults, the advancement of its library expansion initiatives and increasing operational effectiveness and efficiency through staff and technological development. The library offered 306 programs with a documented attendance of over 6,800. Examples of some of the programs are: How to use the Internet Workshops; Writer's Talking (Author's Talks); Informational Presentations/Topical Lectures; Stories for Infants and Toddlers; Stories for School-Age Children; Family Story Hours; Video Showings; Book Talks; Class Visits to Schools; Book-related Creative Dramatics; Book-related Science Demonstrations; Book-related Craft Programs; Book-related Puppet Shows; Book-related Sing-Alongs and Music Programs.

COLLECTION

In 1997, Princeton's collection included 127,815 books, 3,975 audiocassettes, 2,452 compact discs, 3,648 videos and, 131 computer discs or CD-ROMs. Princeton's collection exceeds the average for libraries in its population group; however, Princeton has 36% less than the average number of volumes owned by others in its expenditure group. The lower expenditures on materials are reflected in the addition of only 8,840 items in 1997. This is 15,600 fewer items than the average for libraries in the same expenditure category. Due to the library's space constraints, a regular and aggressive weeding policy is maintained and the collection is weeded as new items are added. The result is that the overall age and condition of the collection is very good. The total value of the library holdings is \$2.18 million. An indicator of the productivity of the collection is the turnover rate (the average number of times an item circulates) which is 2.5. It is 56% higher than the state average of 1.6. This turnover rate is also 13% higher than its peer group which averages 2.2.

The library is commended for tailoring its collection effectively, as indicated by an above average circulation per capita and an above average turnover rate.

FACILITIES

The library is housed in a 26,600 square foot building constructed in 1965. The 1993 consultant's report documents the library to be 40% undersized given the existing services and collection. The proposed program area, based on present demand and future increases in population, is between 52,972 and 56,755 square feet. The study noted that expansion of the existing library structure would increase parking concerns and projected operating costs especially with a projected increase in service. The report concluded, however, that the parking impacts did not necessitate the construction of a parking garage. The increase in operating costs was estimated to be \$500,000 annually in the first seven years.

A library building consultant will be revising the 1993 Library Expansion Feasibility Study. In 1999, the library retained a consulting architect on the expansion project. The library intends to apply for funding under the recently adopted \$50 million dollar Construction Program for Public Libraries initiative. Final designs and construction plans are slated for late winter of the year 2000. The library expansion is estimated to cost \$12 million, with half the funding coming from the municipalities and the other half coming from the library, through its foundation's fund raising.

Based on studies already made and the detailed analysis they contained, it is clear that the library has followed an appropriate process for determining the degree of expansion provided. One caution LGBR will make is regarding the conclusion that the expansion will not make a parking garage necessary. The impact of the expansion on library use must be considered in conjunction with other factors affecting parking at that location. Technology

The library has been operating with an outdated automated circulation control system, which included computer-generated overdues. The library's manager of automation and technical services revised the technology plan in February, 1998. The plan emphasized the importance of staff technology training, as well as the increased need for on-line navigators and information mediators.

The library has selected a new automation system provider. Currently, the library is in the process of implementing its new automated system, which includes an Internet based on-line catalog, an acquisitions module and a circulation module. This library automation system is not widely used in New Jersey and, thus, may limit future opportunities for sharing resources with other libraries in the region.

The library has a number of CD-ROM and on-line resources available. The library is also equipped with 51 computers, 26 of which are public access computers which provide access to the on-line and CD-ROM reference sources, full text versions of periodicals and the Internet.

REGIONALIZATION

One option to be considered for delivery of library services is for the joint library to join the Mercer County Library System. This concept has been reviewed by council in the past and continues to be unpopular and controversial in the community. The team would be remiss if some generalized insight into what such an alternative could mean were not provided.

Services

There are differences in services provided by Mercer County Library and Princeton Public Library that make them complementary to each other. Princeton, with its significantly higher staffing level, provides more personalized professional research assistance. On the other hand, with a total collection of 263,168 items and nine facilities, Mercer County Library offers a greater variety of materials. MCL assures timely access to popular materials by having a policy of purchasing multiple copies in response to demand. It should also be noted that there are allowances for differences among the branches; each branch is given the latitude to address the specific needs of its local community while having the resources of the entire system available to it by phone, fax or daily delivery. This same leeway provides a system that, as a whole, has an in depth collection and staff with a variety of interests and expertise.

Financial

If the current county library tax rate were applied to the assessed valuation of the borough and the township, the result would be a budget/tax levy of \$2.2 million. The Mercer County Library tax rate includes lease payments for new construction on seven facilities, which amounts to 1.13 tax points. Subtracting that amount would bring the tax levy to \$1,796,873, which is similar to the current municipal tax cost of \$1,739,728. The deducted lease portion could be set aside to fund the Princeton Library's expansion in the same manner as the earlier Mercer County Library System's expansions. The amount of \$421,489 is enough to fund current plans for a \$12 million

expansion if half the cost is raised by the library foundation. The lease purchase option would also serve a significant purpose of removing the cost of the library expansion from the municipalities' net debt.

In addition to the savings already identified in the reference and circulation staffing sections, there are a few very specific staffing reductions that could be made without question. First, the technical services operation could be cut in total. Second, the systems administration function could be reduced to one person and the assistant library director and bookkeeper positions could be cut. There are most likely other efficiencies that could be realized. However, these are the most obvious and do produce significant savings without impacting service. With these cuts, the costs of operating the Princeton Public Library could be reduced by a total of \$510,935. If easily gained savings from other operational improvements suggested prior to regionalization are included, the total would be \$615,911.

All aspects of the financial arrangements are negotiable. Using one alternative as an example would be to let the taxpayers realize all of the operational savings, assure that all friends donations stay with the branch and allow the County Library to collect fine revenues and per capita state aid. In 1998, this would net Princeton taxpayers a savings of \$303,779 or, including other improvements, \$409,306 and expand access to the greater resources of the entire Mercer County Library System.

Administration	\$138,346
Entire Technical Services Operation	\$325,436
Two Part-time Systems People	\$36,171
Entire ILL	\$10,982
Total from Regionalization	\$510,935
Other Improvements	\$104,976
Total Savings	\$615,911

CONCLUSION

Princeton Joint Public Library is somewhat difficult to evaluate because of its extremely high expenditures and equally high patronage.

Overall, the team's conclusion is that, insofar as the decision to provide an extraordinary level of service with an extraordinarily high price tag is a conscious one by the governing bodies, the residents of Princeton are getting what they pay for. The team also finds that the library has identified, and used, alternative resources, such as volunteers and private donations for support of library services. The team further finds that the level and quality of service could not be provided by the communities individually.

The primary driver of these costs is a very high staffing level. The team did identify a few areas where staff could be reduced without impacting the high level of service. In addition, there are decisions that have been made that will preclude more cost effective operations, the most notable

is selecting a unique automation system which is not compatible with area libraries, such as the Mercer County Library System.

It should be noted that the estimated increase in operating costs resulting from the expansion would be, at the very least, \$700,000, including capital costs. This equates to \$27.15 per capita and would bring the per capita expenditures to \$112.

The only means of maintaining a high level of service while reducing costs or slowing cost increases would be through further regionalization.

Recommendations:

It would be possible for the Princetons to achieve significant savings and service enhancements by joining with the Mercer County Library System, as well as, implementing previously recommended changes. Such a consolidation would necessitate negotiations to achieve cost savings and to preserve services. Estimated net savings are conservative based on the scenario discussed above.

Cost Savings: \$303,779 - \$409,306 (net)

Borough Cost Savings: \$97,209 - \$130,978

Township Cost Savings: \$206,570 - \$278,328

If further regionalization is not chosen, the communities are urged to be cautious in their staffing and infrastructure decisions and are encouraged to look at their environment to identify areas in which services can be increased through cooperation or regionalization with other libraries in the region rather than increasing expenditures. Intermediary steps that would serve the communities well would be an investigation of lease purchase options for financing the library building and establishing reciprocity between Princeton Public Library and Mercer County Library.

HUMAN SERVICES

The borough and township have been reorganizing the way they provide public assistance, civil rights, and senior transportation over the past few years. During 1997, each function was operated by its own joint commission. During 1998, a new commission was created, known as the Social Services Commission. This body combined the public assistance and civil rights functions. In an effort to consolidate more areas, the human services department was created in 1999 through an inter-local agreement between the borough and the township. It combined all of the above mentioned operating entities and added a youth services function under one commission. When the Human Services Commission was created, its mission, as stated, was “to advocate for the interests of Princeton seniors, youth and local assistance recipients, as well as for all the residents of Princeton Borough and Township in the areas of civil and human rights.” The commission is comprised of six borough and six township residents. The primary responsibility of the commission is setting policy and addressing the needs of the community. The funding for the commission is split 50/50 between the borough and the township.

The Director of Human Services is assisted by a part-time Human Services associate who works 20 hours per week, Monday through Friday 9:00 a.m. to 1:00 p.m.

PUBLIC ASSISTANCE

The Princeton Public Assistance Office provides financial assistance, medical and pharmaceutical care, and temporary housing to single residents of the borough and township between the ages of 18 and 65, without dependent children. The department is governed by a Local Assistance Board (LAB), which consists of three members who meet four times each year.

In 1997, the borough and township declined to consolidate the local welfare department with the county welfare department. Chapter 37 of the Laws of 1997 required all municipal welfare operations to consolidate with the county welfare department, unless the municipal governing body affirmatively acted to retain welfare locally. On October 6, 1997 the township committee adopted a resolution retaining the welfare operation locally and on December 16, 1997 the borough council adopted a similar resolution. According to the resolutions, the borough council and township committee were of the opinion that the needs of the residents, who require public assistance, could be better served at the local level.

Caseload

According to the GA-6 reports provided to the New Jersey Department of Human Services, there were an average of 12 general assistance cases per month during 1998. Of the 12 cases, approximately 75% were classified as unemployable. In 1998, \$37,571 was expended in general assistance funds.

Organization and Staffing

During 1998, the public assistance department was staffed by two different directors. The combined salaries and benefits for the position were approximately \$36,600 and other expenses were \$2,500, for a total of \$39,100. The office was located in borough hall, but has since been relocated to the township building. The office hours are from 9:00 a.m. to 5:00 p.m., Monday through Friday.

In addition to the documented caseload, the office has expanded its services to include providing assistance and referrals to an average of 30 walk-in clients per month. The Director of Human Services estimates that she spends approximately 50% of her time providing these services for a total operational cost of \$31,000. This is a reduction of \$8,100 over 1998 costs. The director is providing more services to the walk-in clientele while reducing the operational cost of the function.

Financial

The Director of Human Services maintains an "operations" account for the borough and a Public Assistance Trust Fund II account for the township for disbursement of general assistance. In addition, all emergency and temporary rental assistance is paid through the township PATF II account. The ending balances in 1998 for these accounts were \$10,612 and \$3,817, respectively.

In addition to the operations account, the borough's CFO maintains two trust fund accounts (PATF I and II). The PATF I account is maintained for emergency assistance and, normally, non-reimbursable items. The PATF II account is maintained for general assistance, reimbursable from the state. The ending balance in the PATF I account was \$30,271 and the ending balance in the PATF II was \$36,186.36. \$28,697 of the PATF I account is held by the borough in a certificate of deposit, which is renewed after each period. When the human services director needs additional money in the borough operation account, the borough CFO writes a check from the appropriate PATF account.

The township's PATF I and II accounts have historically been handled differently. The township has delegated the maintenance of the accounts to the public assistance director, now the human services director. The ending balance in the PATF I account was \$8 and the PATF II account was \$10,612, as previously stated.

The two communities are encouraged to continue to evaluate the need to offer public assistance locally. They have developed a responsive, cost effective service, which by virtue of its being local, has lowered the cost of the other human services related functions offered. However, it is costing \$31,000 to distribute \$37,571 locally.

SENIOR TRANSPORTATION

The borough and township operate a senior transportation service known as Crosstown 62. The service is intended for borough and township senior residents age 62 or older for essential medical, banking and shopping needs within the borough or township.

The service operates Monday through Friday 9:00 a.m. until 3:00 p.m. and uses a former police vehicle to provide the transportation. Because of the limited seating the vehicle provides, the majority of the rides are for one passenger. During 1998, the program included a coordinator, a driver and a substitute driver. The program averaged approximately 30 round trip rides per week to the eligible residents. This equates to approximately 1,560 round trip rides annually.

Financial

During 1998, the department paid \$30,870 in salary and benefits and \$6,912 in other expenses, for a total cost of \$37,782. There is no charge for medical appointments, however, donations are accepted. The department charges \$1.50 for all other transportation. During 1998, the department generated \$3,353 in revenue; therefore, the net operating cost was \$34,429. This equates to \$22.07 per round trip ride.

The department has been actively seeking alternative, more cost efficient methods of providing this service during the last year. For example, in 1999 a part-time human service associate, who works from 9:00 a.m. to 1:00 p.m., Monday through Friday, has replaced the coordinator. Approximately two-thirds of her time, or 13.5 hours per week, is attributable to answering the transportation telephone and scheduling rides. This restructuring has reduced the operating cost for the service to \$35,471. Using the same revenue figures as 1998, the net cost of the program would be \$32,118 or \$20.59 per round trip ride.

While there are alternative sources of transportation services available to the senior residents of the communities, none provide the specialized and personalized service of Crosstown 62. The county run Transportation Resources to Aid the Disadvantaged and Elderly (TRADE) provides transportation service at no cost to the elderly, low income or disabled Princeton residents for medical and nutrition services.

The American Red Cross will provide transportation services for elderly Princeton residents outside the Princeton area only. The American Red Cross has a policy not to provide transportation services within a municipality which provides a similar service. An exception to this policy is for emergencies when the resident has exhausted all other options.

While concluding our review, the senior transportation committee had received a proposal from a local taxi service company to provide the senior transportation service on a trial basis for a period of six months. The proposal stipulates that the company would charge a flat rate of \$5.00 per person for one-way transportation within the borough and township for senior residents who register with the Human Services Commission. The service will operate during the same hours as before, 9:00 a.m. to 3:00 p.m. As previously mentioned, the current senior transportation service is costing approximately \$10.30 per person each way; therefore, the proposal could reduce the cost of the senior transportation service by 50%, or approximately \$16,500. Alternatively, for the same amount of money the commission could provide significantly more trips. A goal of the change is enhanced services.

The Human Services Commission is commended for seeking alternative methods of providing the senior transportation service at a more reasonable cost, without sacrificing the level of service.

CIVIL RIGHTS

The borough and township have, historically, jointly funded a program for civil rights advocacy. The functions of the program include education on civil rights, mediation, referrals to other organizations, and assisting with community housing and employment issues. The same services are provided by a state agency, the Division on Civil Rights, on a regional basis. The office for Mercer County is located in Trenton, just a few miles from Princeton.

During 1996, the agency employed an individual to provide the services at a salary of \$34,702. In 1997 and 1998, the services were performed under a professional service contract for \$37,625. During 1998, an employee performed the services for nine months of the year for a cost of \$28,219. The commission handled any issues for the remaining three months of 1998.

As part of the reorganization in 1999, the Director of Human Services now administers the civil rights program. During 1999, the director has been averaging one civil rights issue per month. It is estimated that less than 5% of the director's time is spent on civil rights issues; therefore, the current cost for this service is \$2,850, a reduction of \$34,775.

Although the services are provided by a state agency, with the reduced cost associated with the reorganization of the agency, it is the team's conclusion that the costs are more aligned with the services.

The commission is commended for its efforts in reducing the cost of providing the services on civil rights issues.

YOUTH SERVICES

The human service associate spends approximately 20% of her time on youth services functions and approximately 5% of the director's time is spent on youth services. Therefore, approximately \$4,900 in salary and benefits is attributable to this function.

There is strong support in the communities regarding the concerns and needs of the youth population. There are numerous organizations in both communities that provide a wide range of activities for youth. A committee of representatives from the school district, the YWCA, YMCA and various municipal departments which serve the youth population, has been formed to meet monthly to discuss the activities and identify and develop some other alternatives. A "hot" topic currently talked about is the need for a community center. A sub-committee has been formed, "The Partnership for a Princeton Community Center," to evaluate the level of interest for a community center and the targeted groups for utilization. Other issues include identifying a place for middle grade students (5th through 8th) to meet and socialize in the absence of a community center, a formalized program for anger management, a program relating to the importance of a job, and an academic enrichment summer program.

The commission is commended for taking a proactive role in addressing the concerns and needs of the youth of the communities.

REORGANIZATION

As previously stated, the separate functions were consolidated in 1999 under the Human Services Commission. The team reviewed the expenditures for each function in 1997 and 1998 and the projected expenditures for 1999. In 1997, the total budget amounts for all functions was \$145,838. In 1998, the total actual expenditures identified for all functions was \$140,100, a decrease of 3.93%. The projected expenditures for 1999 for the department total \$108,000, a further reduction of 22.96%.

Each service provided under the auspices of the human services department is optional and, in some cases, is a duplication of services provided at the state and county level. However, because the communities have made the policy decisions to provide these services locally, the joint human services department provides this high level of service in as cost effective a manner as possible.

Optional Expenditure: \$108,000
Borough Share: \$54,000
Township Share: \$54,000

SUZANNE PATTERSON CENTER

The Suzanne Patterson Center is a borough-owned facility, where borough and township senior citizen activities are held. The center is operated as a joint agency between the borough and township, with the operating costs shared evenly. The 1998 operating cost was \$74,302, which consisted of activity expenses of \$65,302 and facility expenses of \$9,000. The activities are provided by a non-profit organization specializing in senior citizens services known as the Princeton Senior Resource Center (PSRC), under a professional service agreement with the borough. The PSRC provides a wide range of services and activities for the senior population of the municipalities. These include recreational and social activities, health promotion and screenings, educational programs, support to the home bound, and counseling services. Participation in the activities and services provided since 1995 has been increasing at an average of 20% annually, while funding has increased an average of 10%.

The borough and township are commended for the efficient provision of senior services.

CORNER HOUSE

Corner House is a non-profit counseling and substance abuse outpatient treatment agency, established as a joint agency between the borough and the township in 1972, for adolescents, young adults and their families. The Princeton Alcohol and Drug Alliance (PADA) has been designated as a joint municipal alliance and serves as the governing body of Corner House. The PADA is comprised of between 25 and 27 residents of the communities. The primary function of the PADA is the advocacy, education and provision of resources for the prevention of substance abuse in the Princeton communities. The PADA oversees the operation of Corner House.

The borough and township are commended for organizing Corner House and PADA in a way that maximizes resources, cooperation and community input.

ORGANIZATION AND STAFFING

The executive director manages the daily programs and services provided by Corner House. In addition, the executive director manages the day to day activities of the office, and is very involved in the promotion of the various programs and services offered and fundraising activities. The other staff members of the agency are: a clinical supervisor, three full-time clinicians, two part-time clinicians, one part-time clinician/prevention specialist, one part-time prevention coordinator, one part-time prevention specialist, two full-time clerical support personnel and a part-time clerical support person. The professional staff are all licensed social workers with master's degrees. The full-time personnel work a 35-hour week Monday through Friday. The part-time personnel work either a 24-hour or 28-hour week. The office is located in the township building and is open from 9:00 a.m. to 5:00 p.m. The work hours for the professional staff vary, depending on the needs of the clients.

The clinicians provide a variety of counseling and treatment programs to a wide range of individuals from age 11 up. Some of the issues that the clinicians counsel and/or treat are addictive behavior, depression, eating disorders, domestic violence and child abuse, parent-teen communications, family issues such as divorce, remarriage, death, teen suicide risk and problems at school or social relationships.

The prevention specialists present a variety of educational programs to students in both public and private schools, and provide outreach programs to the parents and community-at-large. Some of the programs offered are *Academic Success Today*, *Beginning Alcohol/Drug Basic Education Series*, *Best Latino Student Team*, *Teen Advisory Group*, and *Super Teens Acting Responsibly*.

FINANCIAL

The agency's funding sources include: the borough and township as a joint agency, the State Department of Health and Senior Services, the Corner House Foundation (a non-profit organization), Mercer County, the Princeton Regional School District and client fees. The total salary, wages, and benefits expenditures were \$344,893 and other expenses were \$169,643 for a total operating cost of \$514,536. The following chart illustrates the revenues and expenditures from each source.

EXPENDITURES			
Program	Salaries	O.E.'s	Total
Joint Drug Abuse-Borough	\$60,112	\$36,971	\$97,083
Mercer Regional	\$43,405	\$56,273	\$99,678
Princeton Municipal Alliance		\$25,847	\$25,847
Drug Abuse-State	\$117,485		\$117,485
Mercer Co Drug Program	\$24,464		\$24,464
Mercer Co- Intensive Out	\$14,000		\$14,000
Princeton HS STAR/AST	\$12,000		\$12,000
PHS Intervention	\$14,815	\$5,185	\$20,000
Joint Drug Abuse-Twp	\$58,612	\$38,462	\$97,074
PADA Match – Twp		\$6,905	\$6,905
Total	\$344,893	\$169,643	\$514,536

Municipal appropriations are split 50/50 and, therefore, the appropriation amounts are each approximately \$97,000. The township provided an additional \$6,905 in matching grant funds. The client fees are determined by a sliding scale based upon income and number of dependents. Client fees collected in 1998 were \$74,012 and were split 50/50 and returned to the municipalities. This reduced the net cost to the municipalities. Another \$100,000 from the Corner House Foundation was used to defray the operating expenses paid by the municipalities. During 1998, it is estimated 85% of the clients had no health insurance covering the treatment services provided.

SERVICES

During 1998, Corner House provided approximately 4,300 counseling sessions and eight weekly or biweekly prevention programs serving approximately 2,200 students, parents and the community-at-large. Each full-time clinician provided a minimum of 21 sessions per week and the part-time clinicians a pro rata proportion based on the number of hours worked. The prevention specialists provide a minimum of two days per week of school interaction.

Because of the funding mechanisms in place, Corner House services more than the Princeton communities. Approximately 50% of the counseling sessions are for Princeton residents, 29% are from surrounding communities, 9% are from other Mercer County municipalities and 12% are from other counties in New Jersey.

The following table illustrates the financial breakdown of expenditures related to clients served:

Residents	Expenditure Attributable
Princeton	\$257,269
Surrounding Areas	\$149,215
Other Mercer County	\$46,308
Other Counties	\$61,744
Total	\$514,536

The services provided under the auspices of Corner House are unique at the municipal level. Most municipalities rely on the county, state, or private agencies to provide these services. The communities have made a policy decision that the needs of the residents who require these services are best met by a local publicly operated organization. The agency is also actively used by both courts as an alternative for addressing a variety of issues, including, domestic violence and substance abuse.

While the services provided are optional to municipalities, the review team is of the opinion that Corner House is providing a high level of service in as cost-effective manner as possible.

Net Optional Expenditure: \$127,050
Borough Share: \$60,077
Township Share: \$66,973

HEALTH

The Department of Health administers the health program as a joint agency of the borough and the township. The Princeton Regional Health Commission is the governing body and is comprised of five boroughs and five township residents. The primary responsibility of the commission is setting policy to comply with state and federal mandates and addressing the health concerns and needs of borough and township residents. The department is required by state law

to meet the minimum standards of performance (N.J.A.C. 8:52-1.1 et. seq.) in providing health services and programs.

ORGANIZATION AND STAFFING

The department is managed by the health officer, who also serves as department head, a registrar of vital statistics, two part-time clerical staff, a licensed senior sanitary inspector, a licensed public health specialist and an animal control officer. The department is located in borough hall and operates Monday through Friday, 9:00 a.m. to 5:00 p.m.

The health officer is responsible for the enforcement of state and local ordinances, implementation of commission policy, and the day to day administration of the department. The sanitary inspector and public health specialist provide the following inspections: retail food establishments, swimming/bathing pools, youth camps, preschools, septic and well systems. They also investigate and respond to public health nuisance reports.

The registrar's office issues various vital statistics information and documents, such as, certified copies of birth, death and marriage licenses. The animal control officer is responsible for the investigation of animal bite complaints, removal of dead animals from the roadways, capture and detainment of stray animals, annual canvass of unlicensed dogs and annual administration of the rabies vaccination clinic for dogs and cats.

FINANCIAL

The program is funded based on ratables through an inter-local agreement between the borough and township. According to this agreement the borough pays 32% of the costs and the township pays 68% of the costs. The total salary, wages, and benefits for 1998 were approximately \$308,890. Office expenses were \$20,140 and professional service contracts were \$36,800. The total cost was \$365,830.

The department generated the following revenue during 1998:

Licenses	\$31,947
Permit Fees	\$2,577
Registrar Fees	\$51,125
Dog Trust/ Redemption	\$1,098
State Domestic Violence Trust	\$5,100
Total	\$91,847

SERVICES

According to the data contained in the 1998 Local Health Department Annual Report submitted to the New Jersey Department of Health and Senior Services, the sanitary inspector and public health specialist performed the following services: 185 inspections and 26 re-inspections of food

establishments, 18 inspections and re-inspections of public swimming/bathing pools, ten inspections and five re-inspections of youth camps, and 120 public health nuisance investigations. The sanitary inspector and public health specialist are full-time employees who work 35 hours per week, 9:00 a.m. to 5:00 p.m., Monday through Friday. Total salary and benefits costs for the two positions were \$110,539 and other expenses were approximately \$3,000 for a total of \$113,539. The revenues associated with inspections amounted to \$32,385, for a net operating cost of \$81,154.

The total number of workdays in 1998 was 261 days per employee. When vacation, sick, personal and holiday leaves are accounted for, the approximate number of available workdays is 218 per employee. This converts to approximately 1,530 available hours per employee, or 3,060 for both. When reviewing each activity performed, it is estimated that the total hours necessary for the services is approximately 1,300. Based upon the activity level, it is the team's opinion that the department is overstaffed by one sanitary inspector.

Recommendation:

The commission should review the level of activities performed and reduce the staff by one sanitary inspector.

Cost Savings: \$53,000
Borough Savings: \$16,960
Township Savings: \$36,040

The registrar's office is staffed by a full-time registrar of vital statistics, who works 35 hours per week, Monday through Friday, 9:00 a.m. to 5:00 p.m. and two part-time support personnel, who each work 20 hours per week, Monday through Friday, one from 9:00 a.m. to 1:00 p.m. and the other from 1:00 p.m. to 5:00 p.m. The registrar is also the administrative assistant to the health officer. It is estimated she spends 50% of her time performing each function. During 1998, the salary and benefits cost for the registrar's office was \$47,089 and other expenses were approximately \$4,000 for a total cost of \$51,089. The office generated revenues of \$51,737 issuing marriage licenses, death certificates, and certified copies of marriage, birth and death certificates. Based upon the revenue collected and the associated fee for each document, the office issued approximately 9,000 documents. Using these figures, the average document cost approximately \$5.68 compared to the average fee collected of \$5.75. The current fee for certified copies of vital statistics is \$6.00 per copy; marriage licenses are consistent with the state law of \$28.00 per license, of which \$3.00 stays in the municipality, and burial permits are consistent with the state law of \$1.00.

The public health services, as required by the minimum standards of performance for local departments of health, are provided under various professional service contracts. These services include the healthy child/well baby clinic (including WIC), cardiovascular disease, senior immunizations for influenza and pneumonia, sexually transmitted diseases, communicable diseases, home health care and education. The total cost of contracts for these services was \$36,800.

According to the 1998 Annual Report, the department reported the following activity for each function:

Contracted Activity	PARTICIPATION
Healthy Child/Well Baby	160
Cardiovascular Disease	120
Senior Immunizations	985
Sexually Transmitted Disease	90
Communicable Disease	50
Senior Home Health Care	2
Education*	25
*Educational programs were also held at the Princeton middle and high schools. The actual number of participants was unavailable; however, 40 classes were contracted to be taught.	

Based upon the level of activity associated with each function, the team feels that the cost associated with each service provided under the professional service contracts is in line with the level of service provided.

ANIMAL CONTROL

The animal control function is staffed by a full-time Animal Control Officer (ACO) who works 35 hours per week, 9:00 a.m. to 5:00 p.m., Monday through Friday. During 1998, the salary and benefits cost was \$36,171 and other expenses were \$3,500 for a total cost of \$39,671.

The 1998 Annual Report indicated that the following animal control services were provided: 1,840 licenses issued, two pet shop inspections, 48 animal bite investigations, one unlicensed dog canvass which yielded 76 unlicensed dogs, and one free rabies vaccination clinic inoculating 67 dogs and 80 cats. In addition, the ACO captured 190 stray animals, and removed approximately 300 deer carcasses from the roadways.

The licensing of dogs is performed by the clerk's office of the community where the dog's owner resides. The township holds its licensing during January each year, while the borough holds one during May each year. Each office sends reminder notices a few weeks prior to the month of licensing to each resident who had a dog licensed the prior year. Each municipality enters and maintains its dog license information in a database. Each municipality provides the ACO with a list of previously licensed dogs that have not renewed for the current year. The ACO then physically visits each residence and, if there's still a dog, issues a warning to the owner. This is followed up with a fine if the dog is still not licensed within 30 days. Approximately 3% of a support person's time for each municipality is spent performing the dog license function. This equates to an approximate total cost of \$2,600 for both municipalities.

Recommendation:

It is suggested that the municipalities consider consolidating the dog licensing function in the borough health department under the ACO responsibilities.

Stray animals are taken to a private animal shelter known as SAVE. The shelter is operated by the Small Animal Rescue League. The redemption fees are \$20 plus \$10 per day. The health department receives the \$20 and the shelter keeps the \$10 per day.

The American Veterinary Medical Association – Center for Information Management reports that nationally, 28% of households own one or more dogs. Those households, on the average own 1.5 dogs. Based on the 9,068 households reported in the 1990 census, the dog population in the municipalities is estimated to be between 2,500 and 3,000. As previously indicated, there were a total of 1,840 licenses issued in 1998 for both the borough and township.

An option for conducting a more aggressive dog canvass would be to solicit the help of local organizations, which provide community service, such as the Boy Scouts of America, or high school or university organizations. As part of the canvass, the organization may also distribute literature regarding the responsibilities of pet ownership. The use of these organizations, at little or no cost, and using a conservative number of increased licensing of 500, with half neutered, and the current fees of \$8.20 for neutered, and \$11.20 for un-neutered dogs, could produce a revenue enhancement of approximately \$4,850.

Recommendation:

It is recommended that the animal control officer, with the help of a local service organization, perform a more aggressive annual dog canvass.

Revenue Enhancement: \$4,850
Borough Revenue Enhancement: \$1,552
Township Revenue Enhancement: \$3,298

RECREATION

The Recreation Department is administered by a joint recreation board, which consists of five residents from the borough and five from the township. The board was established in 1964 as a joint agency for the “joint planning, development and operation of recreational facilities, programs and activities.” The Joint Recreation Board is the governing body responsible for establishing and enforcing the policies, rules and regulations for the use of recreational programs, activities and facilities. The board holds monthly public meetings. The department’s mission is “to improve the quality of life for the diverse population of Princeton by promoting and implementing recreational parks, conservation and leisure services in a thorough and financially efficient manner.”

ORGANIZATION AND STAFFING

During 1998, the department was staffed by a director, an assistant director, a full-time and a part-time program supervisor, an administrative secretary, a secretary, a maintenance foreman, an assistant foreman, and two maintenance workers. The department was located in the township building, but has recently moved to a new building constructed for the recreation department, adjacent to the Community Pool Complex. The full-time personnel work 35 hours, Monday through Friday, 9:00 a.m. to 5:00 p.m. The part-time program supervisor works 20 hours, Monday through Friday, 9:00 a.m. to 1:00 p.m.

The director is very active in performing his responsibilities of planning, administering and promoting the recreational programs and activities for the residents of the borough and township and the proper maintenance of the municipal facilities. He has been employed with the department for over 25 years and uses his experience and vast knowledge of the communities to obtain support and volunteers for activities and programs. The assistant director has been with the department for approximately five years and is responsible for the coordination and implementation of the recreational programs and activities offered by the department. In addition, he provides the computer support for the department. The program supervisors provide the direct guidance for specific programs or activities. The administrative secretary is responsible for the general operation of the office, providing the public with information regarding the programs and activities, and the rules, regulations and policies relating to the facilities and department. In addition, she is responsible for the daily deposits of fees collected. The secretary performs the daily clerical support functions for the department.

The department is staffed with four maintenance personnel who are responsible for the general maintenance and preservation of the recreation facilities and grounds. The maintenance personnel have an annual schedule of projects that are completed during the off season months of December through March. These projects include: rebuilding/repainting the pool and picnic tables, maintenance and winterization of pool equipment such as filters, pumps, locker rooms etc., maintenance of machinery, playground safety review and repairs of equipment, and field restoration such as top dressing, seeding and fertilization. Although one option would be to consolidate these employees into the public works operation, it is clear that they are fully utilized under the existing configuration.

FINANCIAL

The Princeton Recreation Department operates from two separate and distinct sources of funding. Municipal funds from the borough and the township are utilized for the administration and maintenance functions of the department. The total salary, wages and benefits cost for 1998 was \$423,010, and other expenses were \$100,475, for a total cost of \$523,485.

The inter-local agreement between the two municipalities base funding on ratables, so that the borough's share is 32% and the townships share is 68%. The funding does not consider the resident participation level and there is no documentation establishing the level of participation from each community.

The other source of funds, known as a Revolving Trust Account (RTA), was established in 1980 as a mechanism to fund each program's salary and operating expenses through the fees collected. Salary, wages and benefits paid through the RTA for 1998 totaled \$259,338 and other expenses were \$234,363, for a total cost of \$493,701. Total fees collected were \$552,743; therefore, the RTA had a net income of \$59,042. However, when the joint municipal budget amount of \$523,485 was added to the RTA expenses, the total expenses for 1998 were \$1,017,186, or a net operating cost of \$464,443. It is important to note that the pool fees and programs accounted for \$332,604 of the \$552,743, or approximately 60% of the total revenues.

The director is responsible for monitoring and controlling the RTA account for maximum interest earning. Currently, the account is earning 4.64% in interest. The RTA earned approximately \$7,600 in interest in 1998. The department has two additional accounts that the director maintains; one is a reserve account for capital projects and the other is an account maintained for donations. Approximately \$100,000 of the RTA account is invested in a certificate of deposit with Sovereign Bank at 5.6% for 13 months. The donation account has a balance of approximately \$37,000 and earned \$2,200 in 1998.

FACILITIES

There are 16 municipally owned parks within the borough and township, totaling 488 acres. Eight of the parks have athletic fields maintained by the recreation department and utilized by various independent athletic leagues. The public works department of the municipality where the park is located maintains the general park areas. The Community Park South Complex has the community pool, 15 tennis courts, six of which have lights, and four platform tennis courts. As previously mentioned, the department has recently moved to a new building within the Community Park South Complex.

The community pool area, tennis courts, and paddle tennis courts are three major facilities the department operates. The pool and tennis courts are 33 years old and the paddle tennis courts are approximately 30 years old. The renovations of these facilities have traditionally been funded through, either the RTA reserve account or, through municipal capital budgets. During the past five years, the department has expended approximately \$90,000 from the RTA account for capital improvements to the pool area and \$48,000 for athletic facilities improvements and maintenance and equipment purchases. According to the director, a community pool usually has a useful life of between 40 and 50 years. Pool revenues exceeded expenditures by \$95,141 in 1998.

Within the pool complex is a concession building, which the department leases annually by bid. During 1998, the lease was \$4,300. Approximately \$4,600 of the \$96,000 spent on capital improvements from the RTA was attributable to the expansion of the pool concession area.

Recommendation:

It is recommended that excess revenues from the pool be used to establish a capital improvement program for the pool complex.

The director has identified the Princeton area as facing a shortage of athletic fields. The department had performed an “active recreation facility comparison” of surrounding municipalities. The results of the comparison indicated that the Princeton area has approximately ten less athletic fields than the surrounding municipalities. At the same time, participation for baseball, softball and soccer have been increasing over the last five years, along with requests for fields, by resident companies and agencies. In addition, the school district utilizes some of the recreational fields for interscholastic sports. As a result of the field shortage, and, in spite of the fact that it has developed an automated system for scheduling the fields, the administration spends a significant amount of time on this task.

Recommendation:

It is recommended that the recreation board develop a plan for funding and developing additional fields in consultation with Princeton University and the school district in order to coordinate resources.

PROGRAMS AND FEES

The department offers a variety of programs for youths, adults and senior citizens. During 1998, a total of 15 athletic programs, four leisure activities, six swim programs, and a summer day and teen travel camp were offered to the residents of the communities. The total participation for the non-aquatic programs was approximately 2,300 and the pool memberships, programs and daily admittance totaled 17,590. In addition, the department offers seasonal tennis memberships, which entitle members to reserve courts. The department has a partnership with the Princeton Tennis Program, which offers instructional programs for juniors, seniors and adults.

As previously mentioned, the department maintains a “Revolving Trust Account” to collect the program fees and pay the operating cost for each program. The department keeps detailed financial records regarding the trust account, identifying the income and operational cost (not including administrative salaries and expenses) for each program. The team reviewed the trust account information supplied by the department and separated the activities into four different groups: Athletic Programs, Camp, Tennis (including Platform) and Pool. The information indicates each program is self funded, or close to self funded, without the administrative costs as follows: Athletic Programs, 121%; Camp, 79%; Tennis, 114%; and Pool, 207%. However, when determining the percentage of funding through fees, it is important to include all direct and indirect costs such as, administrative salaries, supplies, and utilities. When these items are added to each group, the percentage of funding through fees is as follows: Athletic Programs, 45%, Camp, 64%, Tennis, 47%, and Pool, 140%. In addition, a number of capital improvements were made. Adding in capital costs lowers the percentage of funding through fees to 43%, 63%, 39% and 129%, respectively.

The commission is commended for maintaining detailed records on the specific revenues and expenditures related to each program.

Recommendation:

It is recommended that the governing bodies establish a policy concerning the level of subsidy deemed appropriate for recreational programs in the communities. The standard identified by LGBR as reasonable in most circumstances is 50%. Based upon a maximum 50% subsidy, the department could increase fees by \$96,485.

Revenue Enhancement: \$96,485

Borough Savings: \$30,875

Township Savings: \$65,610

III. COLLECTIVE BARGAINING AGREEMENT

An area that frequently presents significant opportunities for savings is negotiated contracts. While they represent opportunities for savings, the savings and contract improvements are most likely to occur incrementally, through a well-conceived process of redeveloping compensation packages to be equitable and comprehensive. For this reason, we present those issues subject to collective bargaining agreements separately in this section.

Princeton Township has just one bargaining unit, the PBA Local 130, representing patrol officers and sergeants.

SALARIES

The township added a step to the pay scale for officers hired after 1/1/98. At the same time, the township increased the longevity increments. Although the most conservative position on longevity would be to have none, the longevity in the PBA contract is somewhat conservative because it begins after the steps stop and it consists of a lump sum rather than a percentage amount. The salary changes, combined with the longevity changes, currently have the impact of saving at least \$37,000 per officer over a 25-year career. If this pay scale were applied to the current 32-person patrol force, the savings would be \$518,000.

SELL BACK TIME

Officers are entitled to sell back up to 24 hours of unused vacation or holiday time. An average of six officers sell back 24 hours each year. Officers are limited to carrying over 40 hours, with some exceptions. This is a cost savings measure that helps to avoid overtime for coverage.

HOLIDAYS

The officers receive 104 hours of paid holiday time. If they don't take it, they can get reimbursed as part of the 24 hours. This is a commendable and conservative policy.

PHYSICAL EXAMINATION

Each police officer receives a \$200 allowance for an annual medical exam. Any unused balance may go to un-reimbursed medical/dental or eye care expenses.

TERMINAL LEAVE

Officers receive 16 hours per year for each year worked which for a typical 25-year retiree would be 400 hours, or 19.23% of one year. The terminal salary of a patrol officer was \$60,452 in 1998. The value of the terminal leave, therefore, was \$11,625. This is a conservative reimbursement plan.

Training

Officers can apply for contributions for non-reimbursed tuition and fees of up to \$900 in 1998, \$1,000 in 1999 and \$1,200 in 2000. Officers must provide documentation and it must be police related.

IV. SHARED SERVICES

Tremendous potential for cost savings and operational efficiencies exists through the implementation of shared, cooperative services between local government entities. In every review, Local Government Budget Review strives to identify and quantify existing and potential efficiencies available through the collaborative efforts of local officials in service delivery, in an effort to highlight shared services already in place and opportunities for their implementation.

The borough and the township share 17 services (see Appendix O). Repeating in this section each area in which there is interlocal cooperation would be redundant. In addition, there are cooperative arrangements with Lawrence Township and other regional organizations. Both Princeton Borough and Princeton Township are commended for the amount of cooperation they have achieved. In addition, we have suggested five areas of further consolidation. The areas and the potential savings are:

	1998			Consolidation		
	Budget	Savings as is Borough	Savings as is Township	Total Savings	Borough Share	Township Share
Public Works	\$1,370,618	\$134,800	\$137,861	\$158,500	\$52,833	\$105,667
Library	\$2,187,893	\$103,474	\$219,881	\$279,301	\$89,376	\$189,925
Police	\$3,484,829	\$42,760	\$132,886	\$1,643,565	\$793,267	\$936,832
Court	\$331,408	\$49,000	\$29,517	\$93,000	\$39,990	\$53,010
Welfare	\$31,000	0	0	31,000	\$15,500	\$15,500
Total	\$7,405,748	\$330,034	\$520,145	\$2,205,366	\$990,966	\$1,300,934

With a built out tax base, there are few alternatives for the borough that will result in significant reductions in the taxes paid by its residents. Identifying revenues alternative to the property tax is one approach. Reducing the level and quality of services is another. Consolidating the larger more costly and sensitive functions is the alternative that will reap the most benefits in terms of preserving or increasing the level and quality of services and producing significant cost savings.

The team has identified the following opportunities for cooperation with the board of education:

- use existing school staff to fill crossing guard positions;
- contract for custodial services jointly;
- coordinate use and development of athletic fields; and
- share technology staff.

The team has also identified areas where the borough could benefit from joining with the county. They include:

- general assistance;
- senior transportation; and
- library.

In addition to savings realized by joining services, there are two new state programs designed to encourage and reward local governmental units and their taxpayers for regionalizing, sharing and/or joining services with other units of local government. The Regional Efficiency Development Incentive Act (REDI) provides funds to local units to study the feasibility of joining services. The second program, REAP (Regional Efficiency Assistance Program), provides direct tax relief for any local government regional service agreement signed after July 1, 1997. These programs are administered by the New Jersey Department of Community Affairs (DCA), Division of Local Government Services. The towns are encouraged to contact DCA for additional information.

V. STATUTORY AND REGULATORY REFORM

The fifth and final section of this report, Statutory and Regulatory Reform, attempts to identify those areas where existing state regulations or statutory mandates are brought to the attention of the LGBR review team by local officials, which appear to have an adverse effect on efficient and cost effective local operations. It is common for local officials to attribute high costs and increased taxes to “state mandates.” Each review team is then charged with reporting those areas in this section of the report. The findings summarized below will be reviewed by the appropriate state agency for the purpose of initiating constructive change at the state level.

REAP AND REDI

Princeton Borough and Princeton Township had been very successful in implementing shared services before there were the REAP and REDI incentive programs. With 17 shared services, the Princetons are a good example of communities that should be financially rewarded for what they have done to decrease duplication of services.

ZONING REGULATIONS

The requirements of Article 9 of the Municipal Land Use Law relating to zoning boards of adjustment and, more specifically, the requirements set forth in N.J.S.A. 40:55 D(d) Powers may have some unintended consequences. The inclusion of single family residential lots under this provision causes the procedures more commonly associated with commercial establishments to be applied to variances for minor renovations of single family residential properties. This makes the permit process prohibitively expensive for single family residences. The recommended statutory change is to amend N.J.S.A. 70 (d) as indicated by the underlined section.

In particular cases for special reasons, grant a variance to allow departure from regulations pursuant to article 8 of this act to permit: 1) a use on principal structure in a district restricted against such use or principal structure; 2) an expansion of a nonconforming use; 3) deviation from a specification or standard pursuant to section 54 of P.L. 1975, C.291 (C. 40:55D-67) pertaining solely to a conditional use; 4) an increase in the permitted floor area ratio as defined in section 3.1 of P.L. 1975, C.291, (C. 40:55D-4), **except as applied to a single-family residential lot, where such decision on the requested variance shall be rendered under subsection c. of this section;** 5) an increase in the permitted destiny as defined in section 3.1 of P.L. 1975, C.291 (C. 40:55D-4), except as applied to the required lot area for a lot or lots for detached one or two dwelling unit buildings, which lot or lots are either an isolated undersized lot or lots resulting from minor subdivision; or 6) a height of a principal structure which exceeds by 10 feet or 10% of the maximum height permitted in the district for a principal structure. A variance under this subsection shall be granted only by affirmative vote of at least five members, in the case of a municipal board, or two-thirds of the full authorized membership, in the case of a regional board, pursuant to article 10 of this act.

AFFORDABLE HOUSING

Two related issues have impacted the costs of affordable housing in Princeton Township. The first is refinancing of affordable properties at market rate and the second is some refinanced properties going into foreclosure and needing to be redeemed by the municipality at the full mortgage rate in order to be maintained as affordable units.

REFINANCE

It is to be expected that any property that is mortgaged will find the property owner looking to mitigate what is most probably the largest expense of each month. With affordable housing, the magnitude of the monthly mortgage expense is probably more acute than in the general home owning population. Refinancing is inevitable, especially in times of falling interest rates. The refinancing of an affordable housing unit does not present a problem as long as the affordability restrictions in the deed are adhered to by the lending institutions. Problems occur when these restrictions are missed or ignored. Mortgage brokers who do not do a thorough title search and miss the deed restrictions and assign a market value to the affordable property create problems for all who have an interest in the property. Affordable housing owners, when offered by mortgage brokers up to 125% of the value, might have difficulty remembering the terms and restrictions that apply to their property.

FORECLOSURES

Recently a bank made a loan to a property owner of a COAH restricted home in excess of the restricted market price. The property owner defaulted and the bank foreclosed.

N.J.A.C. 5:93-9.13 states that affordability controls are extinguished upon a judgement of foreclosure to a financial institution provided that there is compliance with N.J.A.C. 5:93-9.14. Although the bank had not done its due diligence and title search prior to authorizing the mortgage in excess of the market limit on the home, the township was forced to go to court to maintain the affordability controls on the home.

The township believes that a clear statement should be included in N.J.A.C. 5:93 that says the affordability controls shall continue on housing units, in spite of the provisions of 5:93-9.13, in those instances where the lender did not demonstrate appropriate due diligence, to include a title search and review of deed. Additionally the revision should require that the lender require the borrower to insure title.

The township urges that COAH modify its regulations to clarify this issue and eliminate the need for lengthy and costly litigation to maintain affordability controls in instances such as this.

Recommendation:

COAH is urged to modify its regulations to clarify this issue and eliminate the need for lengthy and costly litigation to maintain affordability controls in instances such as this.

LOCAL GOVERNMENT BUDGET REVIEW TEAM

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